

APPENDIX



RUTGERS

Graduate School of Education

Expanding Access to New Jersey's High-Quality Preschool Program

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NJ has the nation's best public pre-K,
how can it expand to serve all children?

- High expectations for learning and teaching
- Strong program standards to support high expectations
- Rigorously demonstrated long-term benefits
- Funding has not kept pace?
- Most children and families do not yet have access

Key Elements of NJ Pre-K

- Universal: serve all 3 & 4-year-olds who apply
- Full school day (at least 6 hours/day) & school year
- Maximum class size of 15
- Certified teachers & assistant with K-12 pay parity
- Strong, appropriate curriculum, used district-wide
- Classroom space requirements = 950 sq ft
- Continuous improvement system (using data to improve)
- Mixed delivery: districts contract with providers

NJ PreK: What did we find by 10th grade in the “Abbott” Districts?

Lasting effects on achievement in language arts and literacy, math and science

Achievement effects roughly twice as large for 2 years as for 1 year of pre-K from 3rd to 10th grade

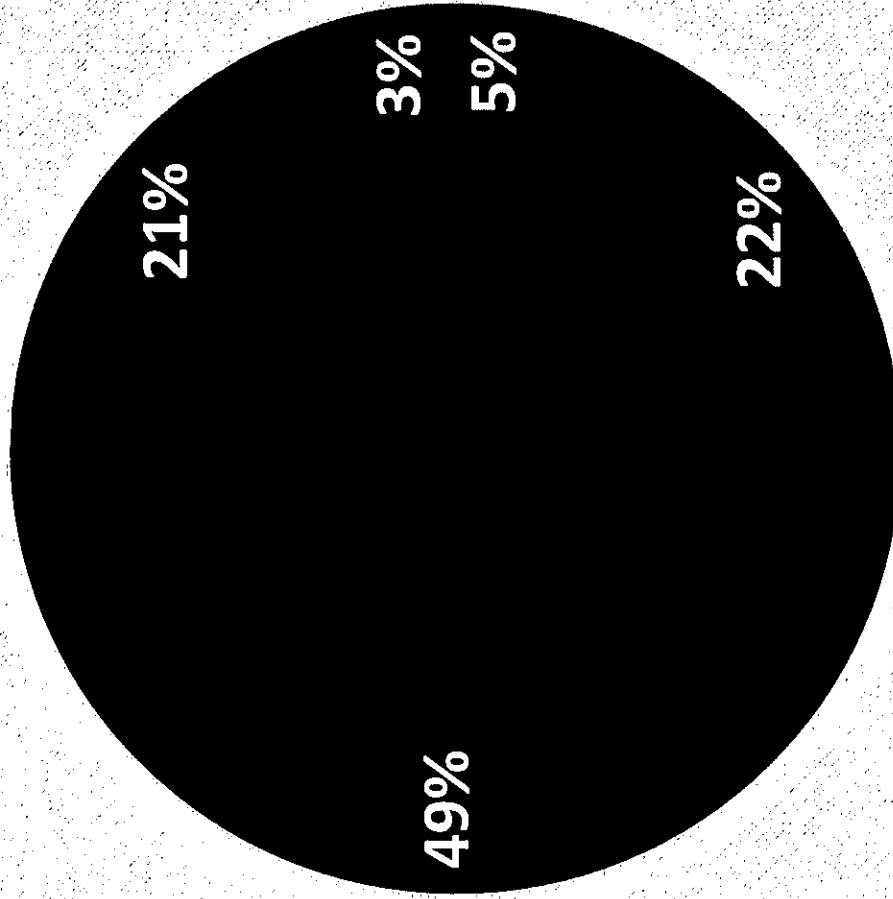
Two-year effects on achievement are the same size as for the Perry Preschool Program

Grade retention reduced 15 percentage points

Special education 7 percentage points lower

NJ Access to Classrooms at 3 ~ 2020

Age 3

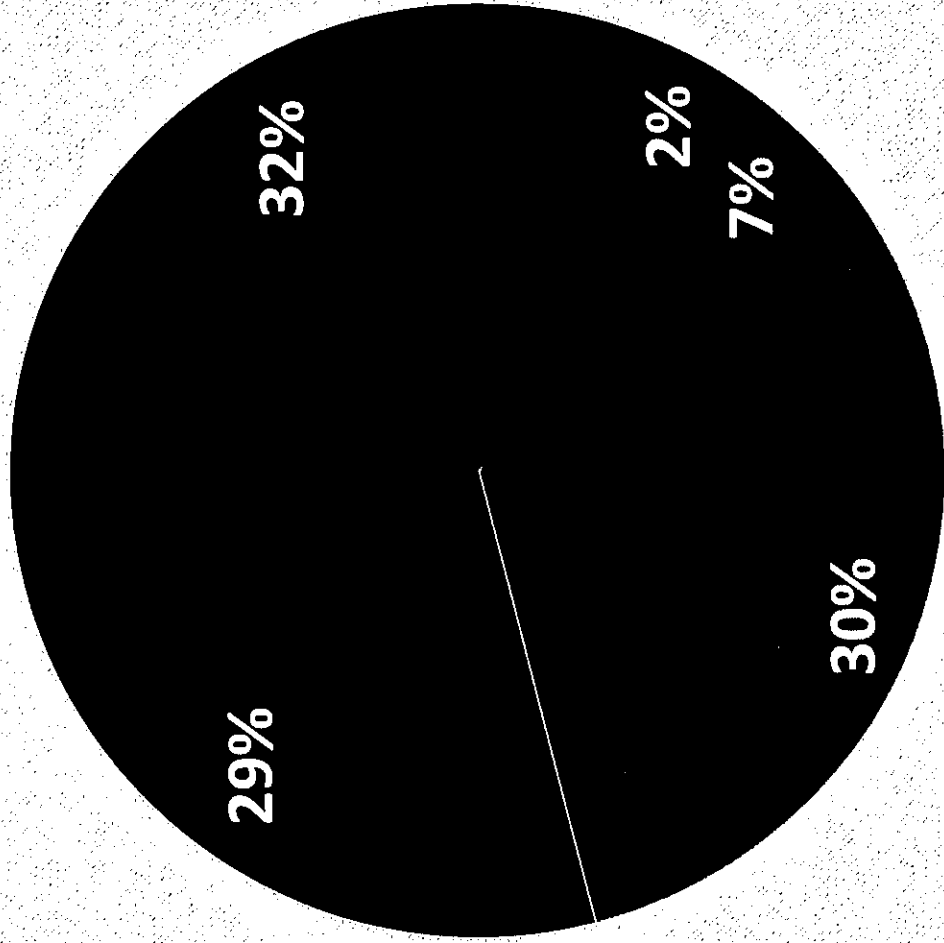


■ NJ Pre-K ■ Head Start ■ Spec. Ed. ■ Private ■ None

5x

NJ Access to Classrooms at 4 ~ 2020

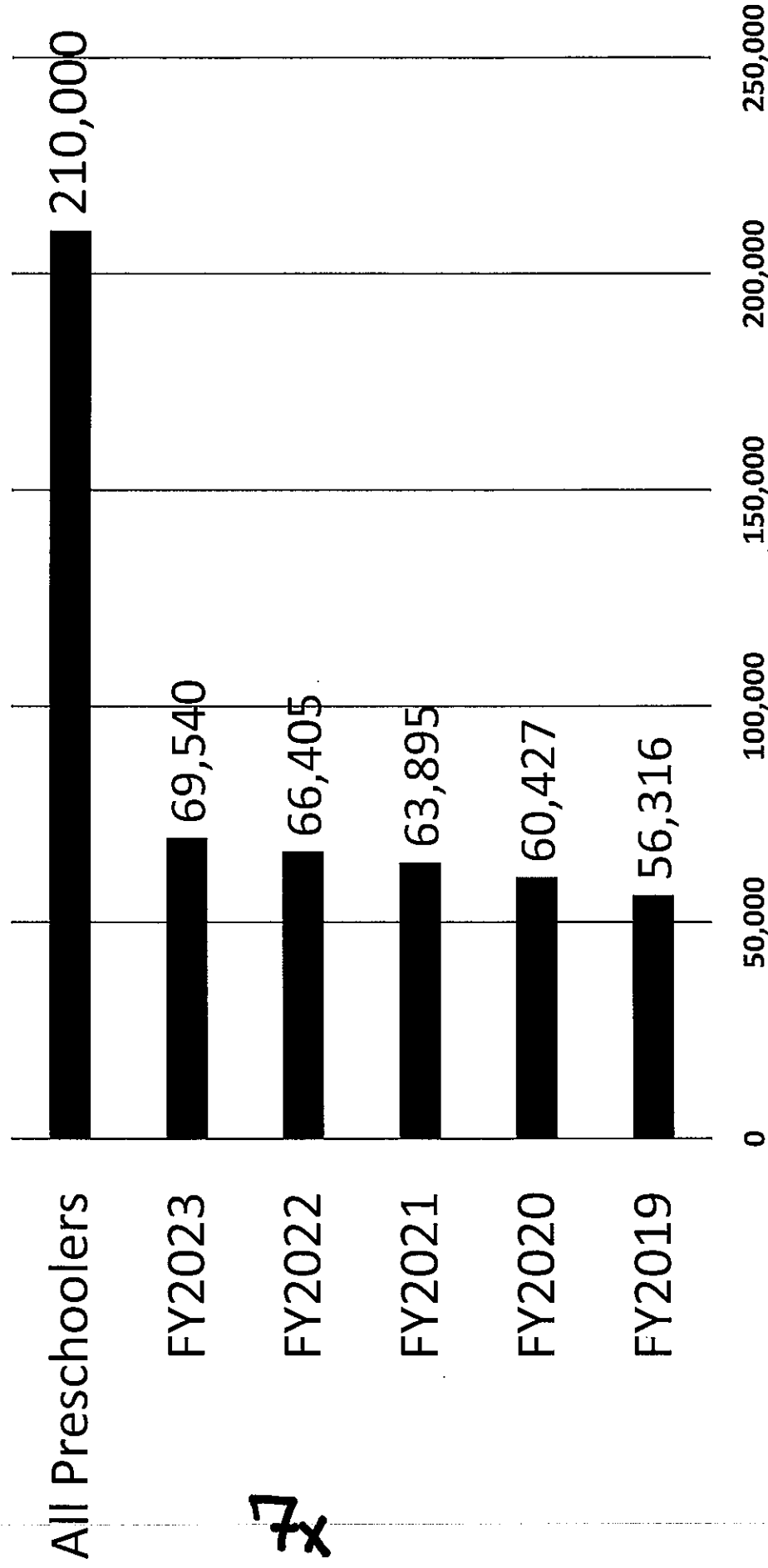
Age 4



■ NJ Pre-K ■ Head Start ■ Spec. Ed. ■ Private ■ None

6x

Expansion Has Been Steady, But There Is Much Work To Do



27

Capacity, not enrollment which is affected by pandemic and other circumstances.

How large is the unmet need?

- 70-90% of 210,000 could enroll in pre-K
- Additional capacity needed = 5000 to 7500 classrooms, teachers, teacher assistants
- Not all of these will be “new”
- Pre-K expansion can enhance existing private and Head Start classrooms and teaching staff

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Major needs to be addressed in expansion

- Teacher and assistant preparation and training
- Leaders, coaches, and other supports
- Increasingly diverse, multi-lingual population
- Facilities development
- State agency capacity to support launch and continuous improvement
- Integration of pre-K, child care (including state subsidy), and preschool special education
- Adequate funding for mature as well as new participants statewide



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An Overview of Mixed Delivery and Preschool Expansion in New Jersey's High-Quality Preschool Program

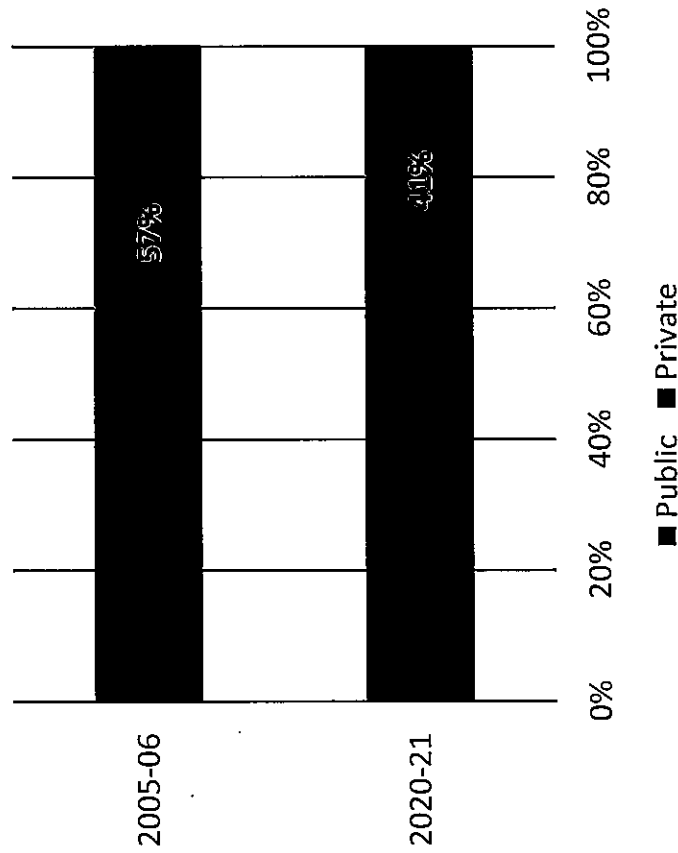
Karin Garver
Early Childhood Policy Specialist,
NIEER

Defining Mixed Delivery Preschool

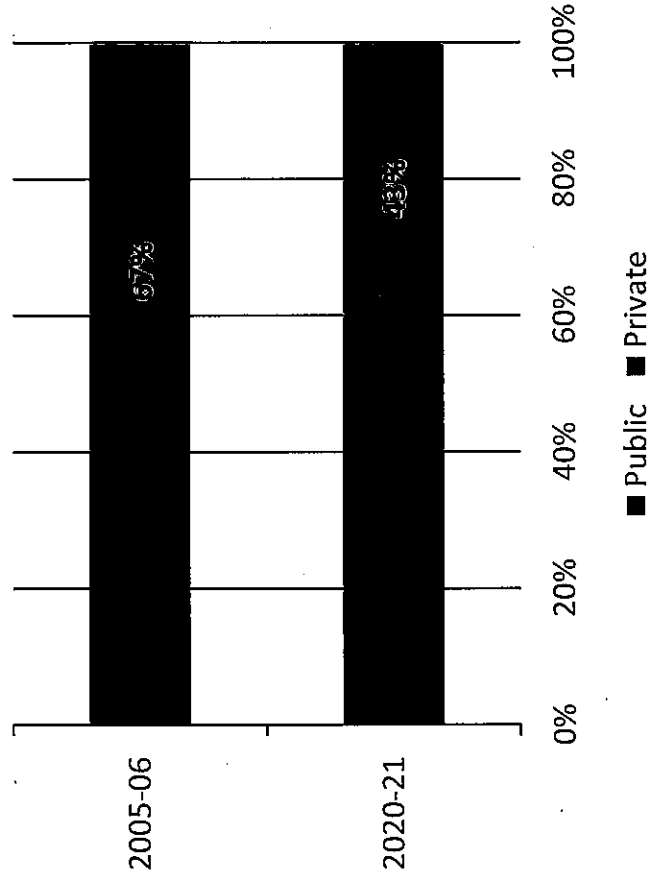
- In mixed-delivery programs, children are served in different settings
 - Public schools
 - Private child care centers
 - Head Start centers
- Participating providers must follow the same program quality standards, regardless of setting
- Funding flows from the state to school districts, who contract with private providers
- The contract establishes that the school district is ultimately responsible for both programmatic and financial oversight.

As preschool continues to expand, the percentage of children served in child care/Head Start settings is shifting

All Districts with Preschool



Abbott Districts



12x

Current Status of Mixed Delivery

- Mixed delivery is required in the former Abbott districts
- 77% of the former Abbott districts currently collaborate
- Mixed delivery is encouraged in all other districts
- 36% of preschool expansion districts currently collaborate
- Surveys of districts indicate barriers to expansion
 - Lack of classroom space
 - Reluctance to partner with private providers
 - Confusion about mixed delivery

Rationale for Mixed Delivery

- A mixed delivery system provides many benefits
- Offers the fastest, least expensive route to universal preschool
- Strengthens the system of care for children birth through school age
- Promotes family choice, minimizes transportation costs
- Takes advantage other available funding sources
- Takes advantage of the expertise of staff in Head Start and child care centers

New Jersey Strategic Plan for Preschool Expansion

- Released: October 2022
- Objective: To outline policy considerations for expanding high-quality preschool
- Areas of Consideration:
 - Funding and Scaling to Universal Access – which children are funded, how roll out is prioritized, and how rates are determined
 - Facilities – supporting new and existing classroom space in mixed delivery settings; county-wide facilities planning
 - Workforce – increasing workforce capacity and diversity through scholarships and other incentives
 - Mixed Delivery – mitigating issues that prevent successful collaboration between districts and private preschool providers; safeguarding infant and toddler care

Access the plan on NJDOE's website:
<https://www.nj.gov/education/earlychildhood/preschool/docs/NewJerseyStrategicPlanforPreschoolExpansionPhase1-TheFoundation.pdf>

Action Steps Towards Implementation

- Step 1: Stakeholder engagement
 - 14 meetings, 36 organizations, over 100 organizations
- Step 2: Mapping key needs and resources, by county
 - Estimate demographics and trends for each county
 - Availability and quality of facilities (existing, new, public and nonpublic)
 - Availability/qualifications of teachers, teaching assistants & administrators
 - Map access to P-3 coursework across the state
- Step 3: Updated scaling plan and budget projections
 - Aggregated data from county reports
 - Project long-term needs for funding and staffing
 - Cost study to revise per child rates

February 8, 2023

Testimony

The Joint Committee on the Public Schools

Good afternoon to members of the Joint Committee, and distinguished guests, I am honored to be part of this panel

My name is Joselyn Estevez-Vargas, and I serve as the Vice President of Early Childhood Programs at HOPES CAP, Inc. (for past 22 years).

HOPES is a non-for-profit agency that collaborates with two former Abbott Districts (in Hoboken and Plainfield), two Preschool Expansion Districts (in Manville and Franklin Township- in Somerset County), as well as providing Early Head Start and Head Start services to over 1250 children throughout our service areas, and all of our program options.

Today I also represent New Jersey childcare providers throughout the State of New Jersey who partner with former-Abbott school districts in providing our communities' 3- and 4-year-olds with preschool through a mixed delivery system, throughout the State.

This group of directors has been working together to raise awareness of the challenges and propose possible solutions in conversations with Staff at the New Jersey Department of Education, members of the State Senate, as well as the Governor's Office during the past two years.

We believe that the existing preschool funding structure for childcare programs has led to varying and inequitable levels of quality for those young children with whom the New Jersey Supreme Court, in the Abbott vs. Burke decisions, hoped would benefit.

As long-standing partners of our state's nationally recognized model of high-quality preschool, we hope that remedies to the issues identified in my testimony today can be achieved in order to ensure that all participating children will receive a high quality, equitable preschool experience.

First

The reduction of Department of Human Services (DHS) funding has caused a chronic, long-standing structural deficit in our programs' budgets. In the early implementation years of Abbott preschool, childcare providers received approximately 75% of their state funds from DOE, to pay for the six-hour educational component of the program, and approximately 25% from the DHS to cover the remaining costs of a wraparound program, allowing the programs to provide education and care for 10 hours per day. During this time, eligibility for both portions of the day was based on the family's residency. A few years after the program began, DHS shifted its program eligibility to be based on family eligibility for a child care subsidy, thus significantly reducing the overall amount of total funds child care programs received. For years now, this reduction of DHS funding has resulted in our programs experiencing a structural deficit that

has yet to be remedied. More importantly, this funding reduction has resulted in inequity for the children in our classrooms, as program parity has become nearly unattainable. The following are just a few examples of the impact that this funding reduction continues to have on our programs:

- a. Staffing issues.** With fewer dollars than our public school partners have to budget towards staffs' salaries and benefits, hiring and retaining qualified staff is extremely difficult. The increasing number of school districts participating in preschool expansion and requiring qualified teachers, is contributing to our recent losses of staff. This issue has become even more problematic since the onslaught of COVID-19, as potential employees now have expanded job options, including in preschool expansion districts, that make working for a child care and Head Start programs less attractive.
- b. Impact on Quality.** Due to the reduced funds, we have had to make hard choices on which expenses to cut, consequently moving us further from quality. Such cuts include fewer family workers, fewer materials, field trips, all of which affect the children's quality experiences.
- c. Uncovered costs.** Certain costs, such as real estate taxes and professional development are not covered under our DOE funding. Nor are the added health and safety costs resulting from the pandemic without adequate DHS funding, these required/necessary costs become difficult for providers to fund.

Second

The preschool budget process does not ensure parity between auspices. While both the intent of the Supreme Court and the subsequent DOE regulations require parity between the preschool programs, such parity is rarely achieved.

For providers, attempting to meet wage/benefits parity is nearly impossible, often resulting in significant differences between our teachers' salaries/benefits and those packages offered to their colleagues in the public schools. For example, some of us have had to cut costs by offering lower wages for teaching positions or no longer providing matching funds towards teachers' retirement accounts, making our staffing positions even less attractive. Some partnering districts require contracted providers and Head Start programs to pay parity wages, while providing no additional funding. This leads us to having to consistently to make choices about where to cut services to attain that end.

Third

Policy implementation and support for the mixed delivery system has been uneven. Since the Supreme Court's 1998 decision permitting partnerships between child care and Head

Start in implementing Abbott preschool programs, policies towards that end have been uneven, and nearly always putting community programs and Head Start programs at a disadvantage. As a result, although the Court in its 2000 decision made clear that “supplanting” collaborating child care/Head Start programs that met the required preschool standards, was not permissible, there are far fewer community preschool classrooms now than there were during the early years of implementation and additional classrooms located in the public schools. This directly affects our ability to continue to provide education and care.

Forth

Uneven funding support from the districts to child care programs causes additional financial hardship. As state preschool funding flows through the districts to providers, too often, the districts, experiencing their own financial constraints from rising costs and insufficient increases in state-aid to meet those costs, choose to meet their increasing financial needs first, causing fewer dollars to filter to contracted providers and Head Start programs. While it varies from district to district, many programs have been flat-funded for several years.

Since the implementation of Abbott preschool, the public schools’ collaboration with Head Start and child care providers

has been more than just a convenience to provide additional preschool classroom space so that more children can be served. Providers and Head Start Programs offer early childhood expertise, community relationships or federal funding, we are a critical part of the mixed delivery fabric that has made New Jersey's preschool program a national model.

We believe that it is time to strengthen our portion of this program by ensuring that all of our young children experience a high quality, equitable preschool education.

Thank you for your commitment to this issue and advancing quality early childhood education throughout the State, and for allowing me to share my testimony with you today.

**A QUALITY PRESCHOOL MIXED DELIVERY SYSTEM THAT MEETS THE NEEDS OF NEW JERSEY
CHILDREN, FAMILIES, PROVIDERS, STAFF and TAXPAYERS**

Safe and accessible childcare options are needed now more than ever to ensure our state's children are well cared for and that all parents, particularly mothers, have the opportunity to participate in a strong, diversified workforce. Families, government officials and the childcare industry have all acknowledged that more must be done to support and grow this critical industry that serves as a backbone to our economy. As the state's private and non-profit childcare providers, we are offering policy makers an outline of critical steps that must be taken to sustain and grow the childcare infrastructure necessary to support New Jersey's working families.

The provision of universal preschool (UPK) was first put forward by the New Jersey Supreme Court in *Abbott v. Burke* in 1990. This landmark decision stated that to mitigate disparities in education between wealthy and poor school districts, preschool education was to be provided to three- and four-year-old children in the neediest school districts. The court ordered the State to create a universal preschool system in the New Jersey's 31 neediest school districts.

Over time, decision makers saw the need to expand these programs to more school districts. The net result of this UPK expansion: 156 school districts with more than 55,000 preschoolers being served at \$924 million. The true cost of UPK in New Jersey is estimated at \$2.6 billion, including salaries, pension, and healthcare benefits to teachers, as well as additional infrastructure.

Beyond the high cost, the model has caused multiple problems for New Jersey's for-profit and not-for-profit childcare providers, many of which were exacerbated by the COVID pandemic. For example, many New Jersey school buildings are not safe from environmental contaminants, impacting the development of very young children. From an economic perspective, the removal of three- and four-year-old children from licensed, community-based, private childcare centers not only destabilizes those centers' budgets, impacting their ability to provide infant and toddler care, but it jeopardizes the survival of the business as a whole.

The pandemic also intensified the complexities of managing a family which relies on two incomes. The need for continuous full-day, full-year childcare, or early morning and evening caregivers was pronounced.

The pandemic continues to cause staff shortages that disproportionately impact working women and the childcare industry, of which 97% of all employees and employers are women. In fact, in May and June of 2020, one out of four women who became unemployed nationwide during the pandemic reported that the job loss was due to a lack of childcare, twice the rate of men (Source: NJBIA Childcare Access Paper). Nationally, nearly 1.8 million women dropped out of the workforce because of the pandemic. As a result, women's labor participation is currently at the lowest point in 30 years. (Source: NJBIA Childcare Access Paper).

From a childcare employer perspective, recruiting and maintaining staff has also become increasingly difficult. According to the United States Department of Labor, the childcare sector

laid off or furloughed 373,000 employees, or 36% of its workforce, at the height of the pandemic because of government-mandated center closures. Today, only about 70% of those jobs have been filled. By contrast, the economy overall has recovered 78% of the jobs wiped out in the spring of 2020, and restaurants and bars – which lost nearly half their workforce – recouped 84% of those positions. (Article: Crisis Level: Child Care providers grapple with a worker shortage as federal relief is slow to help).

Given the experience and lessons outlined above, a coalition of interested parties including for-profit and not-for-profit childcare providers, the business community and federal childcare industry advocates is working to find ways to strengthen private childcare.

The Coalition is recommending that the Legislature propose a reworked preschool funding model as part of the School Funding Formula. That may include potential legislation creating a new entity to manage all aspects of the provision of programs and services to students under six years of age. This solution would address the whole ecosystem, not just quality education. It would focus on the health and safety of the child and the financial stability of women, families, and the entire childcare industry.

GOALS: Impact upcoming School Funding Reform Act (SFRA) negotiations and future revision(s) expected in the 2022-2023 Legislative Session by ensuring:

1. A **mixed delivery system** incorporating private and non-profit childcare centers into the provision of preschool education to three- and four-year-old children, which gives families choice regardless of residence.
2. Government funding follows the neediest children to the most appropriate placements based on the needs of the child and the family.
3. Stability of the economic health of licensed, community-based childcare centers so that the provision of infant and toddler care is not impacted by moving three- and four-year-old children to preschool classrooms in public school buildings.
4. Environmental safeguards for all children under the age of 6 years old by mandating equal operating requirements for public and private facilities.
5. Woman-owned and operated community-based childcare centers and the women employed in these centers are properly compensated.

I. MIXED DELIVERY SYSTEM

The best model for preschool comes from states using a variety of settings, such as community-based licensed childcare facilities, school-based programs, Head Start, and licensed/registered family daycare centers. A mixed delivery system provides choice, so families are not burdened with issues impacting their ability to work or care for their children. A mixed delivery system is also more cost efficient, especially when taxpayer dollars are used. ***Examples of these state models can be found in Colorado and Georgia.***

Supporting Documentation:

- "Solutions to Achieve a More Equitable and Sustainable Early Care and Education System" (July 2021 Boston Consulting Group)

- "Can the U.S. Create Universal Pre-K without Repeating Past Mistakes?" (WFAE/NPR release dated October 3, 2021)
- ECEC's overview about a mixed delivery system

II. SERVING THE NEEDIEST CHILDREN

As stated in our introduction, New Jersey's plan for UPK had a well-intentioned start when the NJ Supreme Court's *Abbott v. Burke* decision mandated that NJ's 31 neediest school districts offer preschool education with certified teachers, limits on class size, and two years of full-day instruction. Fast forward to 2022, the original mandate for a small subset of students in a small subset of districts has now ballooned to 156 school districts, more than 55,000 students and a huge, growing line item in the state's budget. The state investment to date equals \$924 million in UPK. Ultimately, the true cost to the public sector will be \$2.6 billion per year. This figure does not include the additional cost to the state pension system or health care premiums.

III. ECONOMIC HEALTH OF THE CHILDCARE INDUSTRY DEPENDS ON THREE- AND FOUR-YEAR-OLDS & FAMILY FLEXIBILITY AND CHOICE

The impact is not just financial. The movement of preschool-aged children from community-based settings to public-school settings impacts infant and toddler care. A community-based center cannot just serve the zero- to two-year-old population and financially survive. Childcare center budgeting is predicated on having three- and four-year-old classrooms where there are 10 three-year-olds per staff member or 12 four-year-olds. This offsets the high cost of infant and toddler care in which ratios are 1:4 for infants and 1:6 for toddlers. A study by the Center for New York City Affairs at the New School found that from 2014 to 2019 the number of four-year-olds enrolled at subsidized childcare centers contracted with the city dropped 25%. This critical drop correlated with a drop of 2,700 seats for children under the age of three. Without three- and four-year-old classrooms, centers will be forced to close, therefore further impacting the availability of quality infant and toddler care.

The cost of living in New Jersey is infamously among the highest in the nation. Often, middle-class families need two incomes to support the household. This is not possible unless childcare is both available and affordable. As stated in the attached documentation, quality community-based childcare provides a full day of programs and services, a full calendar year of programs and services, and choice of provider location. Sometimes a chosen childcare center is near work, sometimes it is near home or near another caregiver. Having a choice in providers enables the family to select a center based on what is best for its unique situation, and geographic flexibility also affords parents more opportunity for education or career advancements.

Preschool offered in the public schools is a limited day with a limited calendar year. It requires families to secure options for before, after and summer care. Often these options are not in a licensed setting conducive to the growth of very young children. Conversely, when a child is placed in a licensed childcare center, he or she has a full, continuous day without interruption of program, services, and care. This continuity not only helps the child developmentally, but it also helps families meet their financial and personal needs/schedules, creating a more peaceful, healthy environment with fewer transitions.

Supporting Documentation:

- EDA submission
- WFAE/NPR Article
- ECEA Position Paper
- Video: "The right direction mixed delivery of early care and education"
- Boston Consulting Group Report
- NJBIA Fact Sheet
- Two percent Profit model paper

IV. STAFFING SHORTAGES/IMPACT ON WOMAN EMPLOYEES AND BUSINESS OWNERS

Childcare is an issue long overlooked by policymakers and could hold the state — and nation — back from a full economic recovery after the coronavirus pandemic. An October 2021 Household Pulse Survey from the U.S. Census Bureau revealed that almost 8 million adults are still not working, or are working reduced hours, because they are caring for children not in school or daycare. Making matter worse, childcare providers across the state are facing a dire staffing shortage, intensified by the pandemic, which could further derail the state's recovery as offices continue to reopen, school-aged children are back in full-time, in-person school, and parents are expected back in the office.

The conditions impacting childcare centers throughout the state will have a far-reaching impact on working parents, employers, and all residents unless sweeping action is taken. Many childcare workers — similar to other minimum wage workers in restaurants and public works — have no choice but to leave the industry for steadier and higher-paying work, as the pandemic has prompted a labor reckoning for countless people.

With the lingering pandemic and constant uncertainty from UPK expansion, childcare workers can find better pay and benefits at large retailer stores. With so much restriction over the past 18 months many centers were already struggling to match minimum wage, which will continue to rise over the next few years. (It is currently \$12 an hour in New Jersey, but will increase to \$15 an hour for most workers in 2024.)

Furthermore, caregiving primarily falls on women's shoulders, and the pandemic has already disproportionately impacted their employment. Nearly two million American women left the workforce entirely during the pandemic, largely because schools and daycares shut down.

The employment shortage has a direct impact on both childcare providers and their workforce. As directors struggle to staff their centers, some childcare providers are forced to decrease operating hours and the number of available spots for children. At the same time, some workers are retiring early, while others are transitioning into other, higher-paying sectors, like retail, or adjacent jobs, like public education. The net result is that all businesses across the State whose employees rely heavily on childcare are in jeopardy of seeing negative ripple effects on their workforces.

Supporting Documentation:

- Star Ledger article "Child Care shortage threatens to stall New Jersey Recovery and working Parents' Plan"
- Crisis Level: Child Care Providers Grapple with a worker shortage as federal relief is slow to help
- NJ.com article – "NJ got \$694 million to help childcare centers. It hasn't doled out the money"
- NJBIA Fact Sheet
- NJEDA Submission

V. ENVIRONMENTAL SAFETY IN LICENSED CHILDCARE CENTERS VS. PUBLIC SCHOOL BUILDINGS

The first area of concern for all decisionmakers should not be the quality of preschool education. Rather, it should be "where" the education is being provided. Ensuring healthy environments free from toxins, airborne disease and other factors that may impact the physical, mental, and emotional growth of a child should be top priority. The reason: placing a very young child in an environment with lead and other toxins is a known cause of developmental delays. New Jersey tackled this issue for the childcare industry in 2007 with the passage of the "Madden Law." This law required that both the entire interior and all contiguous exterior property of a licensed childcare center be free from harmful toxins. Now, New Jersey's childcare centers are among the safest in the nation, while unfortunately, the Madden Law did not apply to public school preschool classrooms. Given that the average age of a school building in New Jersey is 68 years old and many do not have proper air ventilation, decisionmakers should be concerned that these very young children are being exposed to dangerous and unsafe environments that are not developmentally appropriate for three- and four-year-olds. For this reason, the very first policy consideration should be the "health" of the environment where programs and services are provided for educational and enrichment purposes.

Supporting Documentation:

- Madden law
- ECEA environmental paper
- EDA submission

FINAL CONSIDERATION: New Jersey's funding for preschool education, childcare services, early intervention and children in poverty all flows from separate state departments including: the Department of Education, the Department of Children and Families, the Department of Health and the Department of Human Services. As it relates to the regulation of care and schooling of the under-six-year-old population, the Department of Children and Families (licensing and regulation), the Department of Community Affairs (building codes and enforcement), the Department of Health (air quality), the Department of Environmental Protection (surface, water and environmental fitness), the Department of Education (preschool programming through the public schools) and the Department of Human Services (Division of Family Development) are all involved in this sector.

For this reason, New Jersey should house preschool education in a stand-alone authority, office, or department so that funding streams can be braided together and the administration and regulation of programs and services for this population are coordinated and seamless. This is a model used effectively in Colorado and Georgia. This streamlined approach with no wasteful duplications or overreaching arch from one or more departments will provide the best path forward for managing early childhood care.

End

WORKING GROUP MEMBERS:

ECEA

ECEC (Early Care and Education Consortium – national non-profit alliance of the leading multi-state/multi-site childcare providers, key state childcare associations, and premier educational service providers)

NJ Business and Industry Association

NJ Chamber of Commerce

NJ YMCA State Alliance

Saxson Environmental

WORKING GROUP CONSULTANTS:

Porzio Governmental Affairs



**TESTIMONY OF EDUCATION LAW CENTER
REGARDING PRESCHOOL EDUCATION
JOINT COMMITTEE ON THE PUBLIC SCHOOLS**

February 8, 2023

Thank you, Assemblywoman Jasey and members of the Joint Committee, for the opportunity to testify on behalf of Education Law Center about the operation of the Abbott preschool program and its expansion to eligible students across the state.

ELC serves as legal counsel to the plaintiff schoolchildren in the *Abbott v. Burke* litigation. The New Jersey Supreme Court's 1998, 2000, and 2002 rulings in that case laid the groundwork for the State's implementation of well-planned, high-quality preschool in the 31 poorer urban "Abbott" districts. ELC also strongly supported the expansion of Abbott preschool to other high need districts and for low-income children across the state. The benefits of universal, high-quality, early education starting at age 3 are well-researched and widely recognized.

We appreciate this opportunity to address three crucial issues that currently impede effective and timely implementation of preschool programs, both in the former Abbott districts and in the expansion districts:

1) Department of Education Capacity

The creation of the Abbott preschool program following the Supreme Court's orders over two decades ago was an enormous undertaking requiring leadership and coordination by the New Jersey Department of Education (NJDOE). The successful implementation of Abbott preschool – through an unprecedented mixed delivery system unifying public school, private provider and Head Start classrooms – was only achieved through intense engagement and collaboration among the NJDOE, Abbott district leaders, and the early childhood provider community. The NJDOE played a crucial role by reviewing district program plans and budgets, providing technical assistance and grants, conducting data collection, and offering expertise that enabled districts to work with community providers to meet the uniform standards of high quality accepted by the Supreme Court (e.g., class size, teacher certification, etc.).

The NJDOE's Division of Early Childhood Education (DECE) is now operating at a mere fraction of the capacity that it had when implementing preschool in the former Abbott districts from 2003 through 2009. This limited capacity means the NJDOE is unable to provide the necessary

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assistance to expansion districts in developing a high-quality, mixed delivery preschool program. These districts urgently need from the NJDOE detailed information and data about their preschool-aged population, identification of potential private providers and Head Start providers “capable and willing” to meet the Abbott quality standards, needs assessments of those potential providers and the improvements required to upgrade to Abbott standards, planning and budgeting support for providers, ensuring access to qualified teachers and support staff, identifying facilities deficits and needs, and responding to a host of other issues essential for effective program implementation.

Put bluntly, the NJDOE no longer has the leadership, staff, or expertise to perform functions that lie at the center of successful preschool expansion. We are hard pressed to see how New Jersey’s high quality preschool program can expand to serve all children who need access given the severe lack of capacity at the NJDOE.

2) Prioritizing Expansion in High-Poverty Districts

Preschool expansion under the School Funding Reform Act (SFRA) was created with the explicit goal of expanding the benefits of high-quality early education to all low-income students beyond the Abbott district borders. Yet implementation of expansion has not explicitly targeted higher-poverty districts. Rather, the NJDOE has simply responded to any district that applies, without regard to district poverty or need. With limited funding, it is important to prioritize expansion to those students and those districts that would benefit most.

To meet this goal, the NJDOE must identify high-poverty districts that have not yet begun to implement preschool expansion and work diligently with district leadership and community providers to prepare the ground for expansion. The NJDOE must address head-on any impediments to implementation – including adequate classroom space – by developing a system of core supports, research, and guidance to enable districts to proactively address obstacles faced by districts and community providers alike.

3) Reassessing Abbott Preschool Standards and Funding

The fiscal landscape of early childhood education has changed dramatically since Abbott preschool was first implemented over two decades ago. The costs of the components of high-quality preschool that informed the preschool aid amounts in the SFRA were based on data from the actual budgets of in-district, private provider and Head Start classrooms in the former Abbott districts dating back to the mid-2000s. The costs and funding levels of preschool education aid have not been reviewed, evaluated, or assessed to ensure their adequacy since they were initially developed more than 15 years ago.

Districts and providers alike report that the funding structure for preschool education aid in the SFRA formula no longer reflects the current reality of what it takes to staff, operate and manage a high-quality preschool classroom. In the former Abbott districts, preschool teachers have gained experience over the years and, as a result, have increased salaries in districts.

Providers, which must provide comparable pay and benefits to their teachers, have been unable to keep pace. Facing a teacher shortage, districts and providers now must spend more to recruit and retain a qualified preschool teacher workforce.

Furthermore, other trends implicate teacher retention and recruitment and impact fixed costs, including facilities and maintenance, health care and benefits, materials and supplies and other key resources. The COVID-19 pandemic has also made it difficult for many existing providers to continue to deliver their education programs at the same level of quality. These fiscal concerns likely factor into the decisions of high need districts not to commit to preschool expansion when current levels of preschool education aid are not sufficient to cover actual program costs.

The Supreme Court has made clear that the SFRA formula, including preschool education aid, must be rigorously reviewed to deliver funding at levels that will ensure continued delivery of high quality in Abbott preschool. A thorough evaluation of the costs and aid amounts for preschool is long overdue. The Murphy Administration must utilize the next Educational Adequacy Report – due by February 2025 to inform the FY26 State Budget – to conduct an in-depth evaluation of the cost of delivering the Abbott quality standards in district, community provider, and Head Start settings. Sufficient and up-to-date analysis of the costs of operating a preschool program will both ensure that New Jersey’s preschoolers are getting the high-quality program they deserve and will encourage expansion in districts not yet offering this vital educational program.

We commend the Joint Committee for calling this hearing and thank you very much for the opportunity to discuss with you the problems and impediments of expanding Abbott preschool and sustaining existing programs at the level established in the Abbott rulings. We look forward to assisting legislators in ensuring the promise of high-quality preschool for New Jersey’s youngest public school students.



To: Members, Joint Committee on the Public Schools
From: Cynthia Rice, Senior Policy Analyst, Advocates for Children of New Jersey
Date: February 8, 2023
RE: ACNJ Testimony on Preschool and Early Education Issues

Advocates for Children of New Jersey (ACNJ) appreciate the opportunity to testify before the Joint Committee on the Public Schools regarding the challenges and opportunities facing our state's system of early education and care.

Whether talking about one or both of the two critical components of this system—preschool and child care, the testimony provided clearly showed how essential they are in laying a strong educational and social/emotional foundation for young children, in allowing their parents to go to work knowing that while making a living, their young children are being cared for and well-educated and in supporting a stronger economy as a result of parents being able to participate in the workforce.

What was equally clear was that this essential system, so important in supporting our economy, working families and young children, is not functioning in a way that is effectively supporting any of those three goals. As a consequence, equitable program access for children, particularly infants and toddlers, and program affordability for their parents has become a huge issue for too many families. In the case of child care, the guarded future of these small businesses, many of which are owned and operated by women, remain at risk. Further, this is all taking place during a staffing crisis in the public schools and in child care at a time when at least one institution of higher education has announced the gutting of its early childhood teacher programs, which will further reduce the number of qualified teachers.

The various state departments overseeing state-funded preschools and child care have taken positive steps, particularly during COVID, to address these issues. The problems facing this system however, existed long before March 2020 and the steps taken, while important, were driven by the pandemic emergency and not from a system's perspective to fix what has been broken for too long.

It is time to begin to develop a comprehensive solution to address these problems. To accomplish this, our state needs to strive towards four new goals:

- Adequate funding to support equitable program access and affordability
- Strengthening the mixed delivery preschool model so that the maximum number of eligible 3-and 4-year olds can benefit from high quality preschool

- Developing and implementing new policies that would better support the overall system.
- Developing clear and concise guidelines and regulations across departments with adequate oversight to ensure program fidelity

Adequate funding to support equitable program access and affordability

While the lack of adequate funding is not the only reason why our state’s early childhood system continues to struggle, its inadequacy continues to be a big part of the problem, impacting program equity, access and affordability. Any long-term strategy must, at a minimum, address the following areas:

- *Funding to address the staffing crisis.* Regardless of auspice, early childhood classrooms need teachers. While school districts are struggling to find early childhood staff, the problem is dire in the child care community because they are generally unable to provide a level of compensation that allows them to compete with other available jobs, including those that become available in preschool expansion districts. Their funding sources, either child care assistance or private pay, have their limitations. Providers know that they cannot pass higher tuition costs on to parents without losing children due to the higher costs. There are currently several bills that are initial steps in providing additional dollars to staff. The subsidy enrollment bill (S2478/A4177) would continue to provide one stable source of funding to programs that have children whose families are eligible for child care assistance. Providers are currently being paid based on enrollment, thanks to federal COVID dollars and are generally being used to support higher staff wages. This payment practice however, may end later in the year. It will be financially devastating to existing programs should payments return to being based on program attendance. The child care income tax credit (S1099/A1469) would provide individual child care staff with a tax credit, with staff in infant/toddler classes receiving a higher credit as an incentive to stay in those classrooms. These two bills were referred to their respective Budget Committees in June.
- *Funding to ensure equity in the former Abbott preschool districts.* Since 1999, most of the 31 former Abbott districts have been implementing their state-funded preschool through a mixed delivery model comprised of public preschool, Head Start and child care classrooms. The current preschool funding structure for child care programs has led to varying and inequitable levels of quality for those young children with whom the New Jersey Supreme Court, in the *Abbott v. Burke* decisions, hoped would benefit. As a result of having fewer dollars available, the programs have experienced chronic, long-standing structural deficits in their budgets which have impacted their ability to attract and retain staff, and pay for the high-cost of quality. Although these 31 districts are now known as “former” Abbott districts, the protections that come from those Supreme Court decisions are still in place, including directing the Commissioner of Education to ensure that the preschool programs are adequately funded and that they receive assistance in meeting program needs. *Abbott v. Burke*, 163 N.J. 95 (2000).



- *Funding to ensure an adequate supply of qualified teachers.* Research has shown that one of the most important elements of a high-quality early childhood education program is a well-prepared teacher who can provide engaging interactions and classroom environments that support learning. [The Building Blocks of High-Quality Early Childhood Education Programs | Learning Policy Institute](#). In the midst of an early childhood staffing crisis, increased funding is needed to secure the financial viability of existing programs such as New Jersey City University, and provide the types of financial incentives necessary to support individuals in entering or remaining in the field. Between 2000 and 2004 New Jersey was seen as a national model for maximizing the number of teachers in Abbott communities who successfully completed their BA degrees and early childhood certifications by the Court's 2004 deadline. This was accomplished because the state addressed the needs of this particular population of students by providing tuition costs up-front as well other necessary supports for them to realize success. Neither the level of funding nor the structure that supported these future teachers is currently available but its renewed implementation would make all the difference towards addressing the crisis.

Strengthening the mixed delivery preschool model so that the maximum number of eligible 3- and 4-year olds can benefit from high quality preschool

On its face, the expansion of New Jersey's state-funded preschool program has been a success. Built on the state's preschool model originally implemented more than 20 years ago, eligible school districts that receive funding can implement their programs with the goal of providing preschool to the universe of 3- and 4-year-olds living in their community. In the last five years, approximately 170 eligible school districts have begun implementing preschool and the FY 2023 budget included \$40 million to assist eligible new school districts to expand preschool to an additional 3,000 3- and 4-year olds.

The biggest difference of how the original districts and the preschool expansion districts implement preschool is that the majority of expanding districts are not implementing the program through the mixed delivery model that includes public preschool, child care and Head Start classrooms. Since the implementation of Abbott preschool, the public schools' collaboration with Head Start and child care has been more than just a convenience to provide additional preschool classroom space so that more children can be served. Whether its early childhood expertise, community relationships or federal funding, the child care community is a critical part of the mixed delivery fabric that has made New Jersey's preschool program a national model.

The lessons from our original state-funded preschool programs have not been embraced in the majority of new districts expanding preschool in their communities. While committed to

providing preschool, these districts are less committed to this innovative delivery model of educating very young children. Although the preschool mixed delivery model is recommended by the Department of Education (DOE) it is not required and too often these new districts' vision of preschool expansion is largely based on the number of district classrooms available rather than on the universe of their community's 3- and 4-year olds.

The impact that this approach is having on delivering preschool is two-fold:

- *It reduces the number of children who will benefit from high quality preschool.* Few districts can, on their own, provide preschool to their district's universe of 3- and 4-year olds. By defining preschool expansion through the lens of available district classrooms, young children in those communities who are not lucky enough to participate in the program, will likely not have access to and benefit from a such a high quality program that is cost-free to their families.
- *It negatively affects the future of an already-fragile child care system.* By not implementing preschool through a mixed deliver model, child care programs in communities throughout the state are experiencing significant staffing and enrollment issues. These small businesses are struggling to attract and retain teachers, as more districts participate in preschool expansion and require qualified staff. As most programs operate on razor-thin margins, they do not have the luxury to provide the type of compensation offered by school districts and consequently, are not only losing their current teachers, but labor to find staff to take their places. Moreover, programs continue to struggle with reduced enrollment numbers for 3- and 4-year olds who are now participating in the district programs. This loss of this revenue leaves many programs reliant on infant and toddler enrollment, the most expensive age group to care for and educate. From a budget perspective, the over-reliance on care based primarily on infants and toddlers is an unsustainable business model, which places programs in peril, and could potentially affect future child care availability for working parents.

Over the last few years, both Governor Murphy and the New Jersey Legislature have been committed to providing a strong foundation in early education to as many New Jersey 3- and 4-year olds as possible by providing universal access to state-funded preschool, while assisting working families in the types of support they need. While nearly 60,000 young children are currently benefiting from our state-funded preschool program, there are still too many who lack such access. There is currently a bill (S2477/A4175) that would require districts to implement preschool through the mixed delivery model which would take our state one-step closer to meeting its commitment in guaranteeing that more 3- and 4-year olds can benefit from a program that has been touted nationally as one of the highest quality in our nation.



Developing and implementing new policies that would better support the overall system.

While such systems' change would be difficult for any state to achieve without federal support, New Jersey can implement additional policies and laws that can support its fledgling early care and education system by thinking "outside the box." For example, Kentucky has a new law that expands child care assistance eligibility to all child care staff, including coverage for employees with school-age children. The goal of the law is to provide staff an incentive to remain in their current positions because their own child care issues are being covered. Further, in recent child care provider "Listening Sessions" held by ACNJ, providers recommended that retention bonuses, similar to what was provided through federal dollars, be provided periodically for staff who remain employed for a certain period of time.

Developing clear and concise guidelines and regulations with adequate oversight to ensure program fidelity

Multiple state departments are responsible for the implementation and oversight of New Jersey's early childhood system. The DOE is responsible for state-funded preschool, the Department of Human Services (DHS) oversees the child care assistance (subsidy) program and the state's Quality Rating and Improvement System, *Grow NJ Kids* and the Department of Children and Families (DCF) is responsible for the licensing of child care. Many of the programs that educate and care for young children are overseen by multiple departments, each with their own, often different and conflicting requirements and standards. This was particularly true when individual state departments were implementing different COVID requirements to be followed. The problem of ensuring "mass compliance" has been a long-standing problem. For example, a licensed (DCF) child care provider that has achieved the highest quality rating under *Grow NJ kids* (DHS), can only collaborate with a preschool expansion district (DOE) if their classroom(s) are 950 square feet.

In a January 2023 report, the Bipartisan Policy Center, New Jersey was ranked "44th" in its early childhood governance structure and its level of efficiency in administering this comprehensive system. New Jersey was the only state in the nation in which early childhood funding and oversight was housed in five different state departments. The majority of states, 31, had funding housed in two or fewer state departments. Integrated Efficient Early Care and Education Systems.

At a minimum, clear and concise regulations that when possible, cut across departments would make compliance easier for the already overworked early learning community. However, there is currently a bill (S2475/A4178) that would establish a Department of Early Education, aiming to put all early childhood programs under one "roof" by transferring from the various state departments, programs relating to early childhood and child nutrition into a new department.

Support for our early childhood system can only be sustained when the programs within that system are viewed by the Governor, the legislators and the broader public as the public good that it is. Its success is inextricably linked with attaining those three initial goals of supporting a growing economy, supporting working families and of course, supporting young children's educational and emotional growth and development. During the pandemic, we saw first-hand how essential this system was and as we move beyond COVID, its "essentialness" remains. Developing both short- and long-term policy/legislative strategies to address many of the issues identified is the only way to move towards adequately supporting this public good.

Testimony

The Joint Committee on the Public Schools

My name is Leah Dade and I serve as the Executive Director of Second Street Youth Center in Plainfield, where we are one of 9 community based licensed childcare providers where collectively we are providing early childhood education for over 1500 children. Community based childcare providers are an integral part of the fabric of every community across the state and have served as the stabilizing force for parents and a safe place for young children to receive their foundational skills as they prepare to begin their life journey. It was Bill Gates who said the first 5 years have so much to do with how the next 80 turn out.

As providers we are experiencing the impact of serious issues currently facing state funded programs, that must be highlighted and addressed as they impact our ability to continue providing high quality programming. Moreover, as these issues persist, we are seeing the eroding of the early childhood provider community. Agencies who are not able to keep their doors open, because of a failure to address these critical issues.

- 1. The reduction of Department of Human Services (DHS) funding has caused a chronic, long-standing structural deficit in our programs' budgets.** In the early implementation years of Abbott preschool, childcare providers received approximately 75% of their state funds from DOE, to pay for the six-hour educational component of the program, and approximately 25% from the DHS to cover the remaining costs of a wraparound program, allowing the programs to provide education and care for 10 hours per day. During this time, eligibility for both portions of the day was based

on the family's residency. A few years after the program began, DHS shifted its program eligibility to be based on family eligibility for a childcare subsidy, thus significantly reducing the overall amount of total funds childcare programs received. For years now, this reduction of DHS funding has resulted in our programs experiencing a structural deficit that has yet to be remedied. In practical terms, providers are receiving 75% of the actual costs over and above staff salaries. We are then left to find the other 25%. When we are unable find it, we run an immediate deficit. Think about it in a more practical sense. Every time we buy a box of crayons, we cannot give a child 75% of the box, just like you cannot give your mortgage company 75% of your mortgage monthly. This funding reduction has also resulted in inequity for the children in our classrooms, as program parity has become nearly unattainable. The following are just a few examples of the impact that this funding reduction continues to have on our programs:

a. Staffing issues. With fewer dollars than our public-school partners have to budget towards staffs' salaries and benefits, hiring and retaining qualified staff is extremely difficult. The increasing number of school districts participating in preschool expansion and requiring qualified teachers, is contributing to our recent losses of staff. This issue has become even more problematic since COVID-19, as potential employees now have expanded job options, including in preschool expansion districts, that make working for a child care program less attractive. Finally, we have seen that the quality staff that we have trained and equipped are now being recruited by the school districts. Our teachers are leaving because of the disparity in pay and most importantly, our inability to provide a pension plan.

b. Impact on Quality. Due to the reduced funds, we have had to make hard choices on which expenses to cut, consequently moving us further from quality. Such cuts include fewer family workers, fewer materials, field trips, all of which affect the children's quality experiences.

It is my hope that as this committee looks at the status of public schools, that consideration is given to the challenges of early childhood providers in the community, that I shared. For more than 25 years, we have provided families with educational choice for their children. We are there when school is closed and families have needs. State funded childcare programs across the state continue to stay in the trenches providing the foundation for our children.