



**Education Law Center**

*Standing Up for Public School Children*

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**The Educational and Economic Benefits of Preschool Expansion**

The School Funding Reform Act (SFRA) of 2008 marked an historic commitment by the State of New Jersey to ensure all low-income children in the state the opportunity to begin kindergarten with the skills and knowledge necessary to succeed in school. In requiring every school district with high concentrations of poverty<sup>1</sup> to offer a universal, high quality preschool program to all three- and four-year-olds residing within the district, and all other school districts in the state to offer a targeted program to all at-risk preschoolers, New Jersey has taken an essential and commendable step toward closing academic achievement gaps. Research shows that educational prospects are bleak for children who, due to poverty, begin school lacking basic literacy, numeracy, and social skills. Studies also demonstrates that high quality preschool can help close early learning gaps and enable low-income children to enter school on equal footing with their more advantaged peers. In New Jersey, studies of the highly successful Abbott preschool program, mandated in 1998 by the New Jersey Supreme Court for the thirty-one, low-income school districts covered by the *Abbott v. Burke* case, show that children who participate in the program experience significant early learning gains through kindergarten and into the first grade. National preschool studies indicate that these early gains are likely to continue, and preschool program participants will experience greater academic success and less need for costly academic interventions. Research also shows that the benefits of high quality preschool carry over into adulthood, with program participants more likely to attend college, earn higher wages, and own a home, and less likely to be involved in the criminal justice and welfare systems.

The New Jersey Legislature will face hard policy choices in the coming year, as the nation's economic downturn negatively impacts state revenue. This economic reality, however, makes prioritizing preschool expansion more important than ever. Investment in preschool education has proven to yield long-term economic gains that far exceed initial outlays. Reduced state expenditure on educational interventions, social services, and criminal justice, and increased revenue generated by preschool participants' higher wages, are just a few of the fiscal benefits to be reaped by New Jersey taxpayers. The State should not falter in its commitment to preschool expansion, not only because it is the right thing to do for our children, but also because it is a smart economic strategy.

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<sup>1</sup> SFRA requires all DFG A and B districts and CD districts with an at-risk concentration of 40% or more to offer universal preschool to all three- and four-year olds.

## **Key Components of a Successful Expansion Plan**

Based on our work in implementation of the Abbott preschool program, we have identified four key components of a successful preschool expansion plan in New Jersey: (1) a sustained commitment to full state funding of the program; (2) development of a qualified teacher workforce; (3) capacity within the Division of Early Childhood Education to offer knowledgeable and skilled technical assistance and support to school districts; and (4) safe and adequate preschool facilities.

I will address my comments to the facilities issue, although all of these elements are essential.

## **Facilities Needs**

We have provided tables showing the estimated number of *new* preschool seats that must be developed under SFRA in both universal and targeted districts. The need is substantial. In universal districts, an estimated 17,316 new children must be offered the opportunity to participate; ten universal districts must find facilities for more than 500 children, and one district, Bayonne, must serve 1,253 additional children. In targeted districts, there are 14,536 potential new preschoolers; ten targeted districts must find space for more than 300 children, and one district, Woodbridge Township, must serve an additional 413 children.<sup>2</sup> In the absence of additional facilities, many school districts will be unable to meet SFRA's requirement for enrollment of at least 90% of eligible three- and four-year-olds in a full-day program, even assuming districts partner with community preschool providers and Head Start agencies.

School district facilities issues will differ from the facilities concerns of community providers and Head Start agencies participating in preschool expansion. In the Abbott preschool program, now in its tenth year of implementation, approximately 65% of the 40,000 children who participate are served in community provider or Head Start programs that contract with the Abbott school districts. It is anticipated that expansion districts will adopt a similar mixed delivery system. For preschool expansion to succeed, therefore, it is critical that the state ensure safe and adequate facilities for both district programs and community and Head Start programs.

## Expansion District Funding Concerns

Pursuant to amendments to the Educational Facilities Construction and Financing Act (EFCFA), the Commissioner has developed a priority process for an initial allocation of \$200 million of the \$1 billion authorized for facilities projects in the Regular Operating Districts (ROD). This is a laudable start, but it does not go far enough to fund the facilities needed for preschool expansion under SFRA.

Universal expansion districts have been given Level 1 priority to apply for new preschool and full-day kindergarten facilities. However, universal districts must compete for early childhood facilities funding among a list of ten other top priority facilities needs, including emergent

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<sup>2</sup> As the tables indicate, most universal districts and some targeted districts have some capacity to offer preschool, but existing programs are mostly part-day programs, serve only four-year-olds, and lack the space to accommodate all the children who must now be served.

projects and essential building system upgrades. Additionally, only projects that are 100% dedicated to early childhood facilities will be approved for priority funding, a requirement that may cause districts to forego early childhood construction or expansion in order to address other pressing facilities needs. Moreover, unlike the Abbott districts, which receive 100% state funding for facilities, expansion districts must depend on the willingness of local taxpayers to approve the district's share of facilities funding. Because expansion districts face severe property tax burdens, they may not succeed in securing voter approval.

Of equal concern, targeted preschool expansion districts are not eligible for any facilities funding under the Commissioner's grant plan, even though 18 districts each need more than 200 new preschool seats and 20 districts must serve between 100 and 200 additional children.

### Community Provider and Head Start Facilities Concerns

Community provider and Head Start programs will play a major role in preschool expansion, yet EFCFA does not provide funding for construction or renovation of non-district preschool facilities, and there is no other source of state funding for these programs. This has been a major, ongoing problem in the Abbott districts since inception of the Abbott preschool program. Essentially, the state has allowed a two-tiered, unequal preschool program in the Abbott districts: schoolchildren served in school district programs that are able to secure state facilities funding and those served in programs operated by large community organizations that are able to raise capital, have the benefit of newly constructed or renovated facilities that meet the state's stringent preschool facilities standards; children served in smaller community programs attend preschool in facilities that are only required to meet the far inferior DHS childcare licensing standards. For example, the preschool facilities standards require a minimum classroom space of 950 sq. ft., while DHS licensing standards require only 525 sq. ft. Unless the state undertakes a concerted funding initiative for community provider and Head Start programs, this inequity will be replicated in the expansion districts.

### Recommendations

- Require expansion districts to submit a Long Range Facilities Plan if they have not previously done so, or an amendment to an existing LRFP, to plan for enrollment of all eligible preschool students in accordance with the timeframes set out in SFRA and state regulation. The LRFP should be based on an assessment of current in-district and community provider capacity to serve all children in schools that meet the state's preschool facilities standards.
- Direct the Commissioner of Education to amend N.J.A.C. 6A:13A-7.1 to require all newly contracted community provider and Head Start agencies to meet the state's preschool facilities standards, N.J.A.C. 6A:26-6.4, and to establish a date certain by which all children will be served in facilities that meet the standards. N.J.A.C. 6A:13A-7.1 currently incorporates some, but not all, of the preschool facilities standards. It also authorizes NJ DOE to waive the few standards that are incorporated, but does not specify the criteria that apply or a time limit for the waiver. The regulations should be amended to make clear that all school districts and providers must make measurable progress toward ensuring all students are served in facilities that meet the standards.

- Establish a Preschool Facilities Task Force to study the issues and develop a creative, concrete and comprehensive plan to address New Jersey's preschool facilities needs. New Jersey can learn from other states that have found solutions to funding preschool facilities, e.g., Connecticut's loan fund derived from private CRA funds and backed by state guarantee. The state is fortunate to be home to numerous early education experts, including the staff of the National Institute for Early Education Research at Rutgers University. The Legislature should tap this expertise to create a task force to address facilities concerns in both the expansion and Abbott districts.