**Preschool Budget Reduction SF 269 One-Time Funding Appropriation of $7.4 Million and**

**Permanent Fix with SBRC Authority for Enrollment Increases**

According to DE [enrollment statistics](https://educateiowa.gov/documents/public-district-prek-12-enrollment-grade-race-and-gender/2020/12/2020-2021-iowa-public), there are 4,076 fewer 4-year-olds in PK on Oct. 1, 2020 than the prior year. Kindergarten was also down 2,086 students (that’s more than a third of the total K-12 enrollment decline of 5,935, just for kindergarten.) Preschool doesn’t have a budget guarantee associated with the 2.4% SSA in SF 269. That’s why the fiscal note states: “$80.9 million for preschool formula funding, a decrease of $7.4 million (8.38%) compared to FY 2021.”

Since Iowa has a stable number of 4-year-olds next August, they will seek to enroll in preschool, but budgets will be down by $3,614 for each student (that’s a .5 weighting, or 50% of the State Cost per Pupil for each lost preschool student this year.) Since a large number of 4-year-olds did not go to preschool last year, their parents may prefer they have a preschool experience this fall. There is legislation on the House Calendar, HF 318, which would allow district to serve and count young 5-year-olds in their preschool programs. This bill would save districts money compared to the 1.0 weighting for kindergarten in the Fall of 2021, but districts will not have the capacity to serve these young 5-year-olds with PK budget reductions at 8.4% statewide. Additionally, many school districts work with community partners, nonpublic schools, churches and day cares to provide a quality preschool experience. With an 8.4% reduction in funding and pent up demand, those partners’ budgets will also be at risk.

Legislation to provide districts with budgets based on the Oct. 2019 PK enrollment and authority for school boards to request on-time funding spending authority from the School Budget Review Committee for growth in Preschool enrollments would support the quality preschool experience that saves taxpayers money down the road. $7.4 million is necessary to ensure that there is sufficient staff and capacity to fund preschool for Fall 2021 so all eligible children have a slot.

**Preschool saves taxpayer dollars in the future:** Studies below demonstrate students with quality preschool are 50% less likely to be placed in special education, which at a very minimum is a weighting of 0.7, which costs more than one year of preschool, but special education services are typically provided for several years, not one. Iowa’s average special education enrollment as a percent of total enrollment has dropped from around 13.5% to 12.5% since preschool has been expanded in the state.

**Why does preschool matter?** The Perry Preschool Project, 40 years later, documents $17 savings for every dollar invested (earlier findings of $8 saved for every dollar invested are also often cited). Once considered a strategy just to support working parents with child care needs, the majority of states now view access to high-quality PK programs as a critical long-term economic investment in the future workforce. Education Commission of the States, <http://www.ecs.org/docs/early-learning-primer.pdf> Oct. 2014: *Six rigorous long term evaluation studies have found that children who participated in high-quality preschool programs were 25% less likely to drop out of school; 40% less likely to become a teen parent; 50% less likely to be placed in special education; 60% less likely to never attend college; and 70% less likely to be arrested for a violent crime.*

Sarah Daily, *Initiatives from Preschool to Third Grade: A Policymaker’s Guide*, shows reductions in costly outcomes that quality preschool prevents. (Denver, CO: Education Commission of the States, October 2014) [http://www.ecs.org/docs/early-learning-primer.pdf](http://www.ecs.org/docs/early-learning-primer.pdf.). The National Conference of State Legislatures quotes studies on long term return on investment. <http://www.ncsl.org/research/human-services/new-research-early-education-as-economic-investme.aspx>

Margaret Buckton, [margaret@iowaschoolfinance.com](mailto:margaret@iowaschoolfinance.com) RSAI Professional Advocate and UEN Executive Director, Partner Iowa School Finance Information Services (515) 201-3755