

BUILDING A PATH TO A LARGER LIFE
Investing in Education Excellence with Equity
\$1 billion by 2026

**House Budget Review Subcommittee on Health & Family
Services – January 15th, 2020**

Who is the Prichard Committee?

We began in 1983 as an independent, nonprofit organization with committee members from across the Commonwealth.

We engage families, students, business and community leaders on education issues from early childhood to postsecondary.

We produce independent, solutions-oriented policy research and recommendations, supported and informed by engagement of citizens across Kentucky.

We focus on moving Kentucky to top tier of states for educational excellence **WITH equity.**

Education Excellence - Building A Path to a Larger Life

“There is one factor that is more important than all the others, and that is education. By investing in it, we can improve household incomes, individual health, and our overall quality of life. The key to Kentucky’s economic future lies in its human capital.”

**University of Kentucky’s Center for Business and
Economic Research, 2018 *Kentucky Annual Economic
Report***

Student Success: The Return on Investment is Worth It

THE RESEARCH IS OVERWHELMING. BENEFICIAL RETURNS TO PUBLIC INVESTMENT IN ALL LEVELS OF EDUCATION – FROM EARLY CHILDHOOD THROUGH POSTSECONDARY - INCLUDE BETTER EMPLOYMENT OUTCOMES, HIGHER EARNINGS, MORE TAX REVENUE, LOWER CRIME RATES, LESS CHRONIC DISEASE, AND LOWER DEMAND FOR PUBLIC SERVICE PROGRAMS.

**EARLY CHILDHOOD
INVESTMENTS RETURN
\$5 FOR EVERY \$1
INVESTED.**

**\$335 BILLION ADDED TO
GDP IF ALL KENTUCKY
STUDENTS ACHIEVE AT
THE “BASIC” LEVEL OR
HIGHER ON NAEP TESTS.**

**\$900 MILLION IN NEW
TAX REVENUE AND COST
SAVINGS IF KENTUCKY’S
POSTSECONDARY
ATTAINMENT REACHES
THE NATIONAL AVERAGE**

Early Childhood Investments

\$251 million by 2026 to provide child care assistance to 23,000 more young children with family incomes below 200% of poverty

\$80 million by 2026 to provide preschool to 10,000 additional 4-year-olds with family incomes below 200% of poverty

Excellence

Funding that allow high-quality programs meeting or exceeding Level 3 requirements under Kentucky's All STARS rating system

Equity

Reduced income barriers to participation in high-quality programs that richly support the learning development of young children

K-12 Investments

\$140 million by 2026 to fund all-day kindergarten

\$162 million by 2026 to fund school transportation fully

\$58 million by 2026 to create a Fund for Teaching Excellence

Excellence

Deeper support for educators
and

Local funds freed up to reach Kentucky's high standards, including steps like expanded access to counselors, expert reading teachers, teacher collaboration time, and filling critical teacher shortage areas

Equity

Reduced funding gaps between districts with more and less property wealth
and

Support practices that raise results for all learners and especially for historically underserved student groups - including high-quality teaching and curricula that promotes problem solving, teamwork, communication, and artistic expression.

Postsecondary Investments

\$311 million by 2026 to implement full Performance-Based Funding for Kentucky's public universities and community and technical colleges

\$30 million by 2026 to expand needs-based aid, offering 18,000 more College Access Program (CAP) grants to low-income students

Excellence

Sustained progress toward
Kentucky's 60% attainment goal by
2030

Equity

Strong institutions across the state *and*
Progress toward attainment goals for
historically underserved groups
and
Enhanced access to higher education for
students with financial need

Building the Pathway to a Larger Life

\$251 million for child care assistance

\$80 million for preschool

\$140 million for all-day kindergarten

\$162 million for school transportation

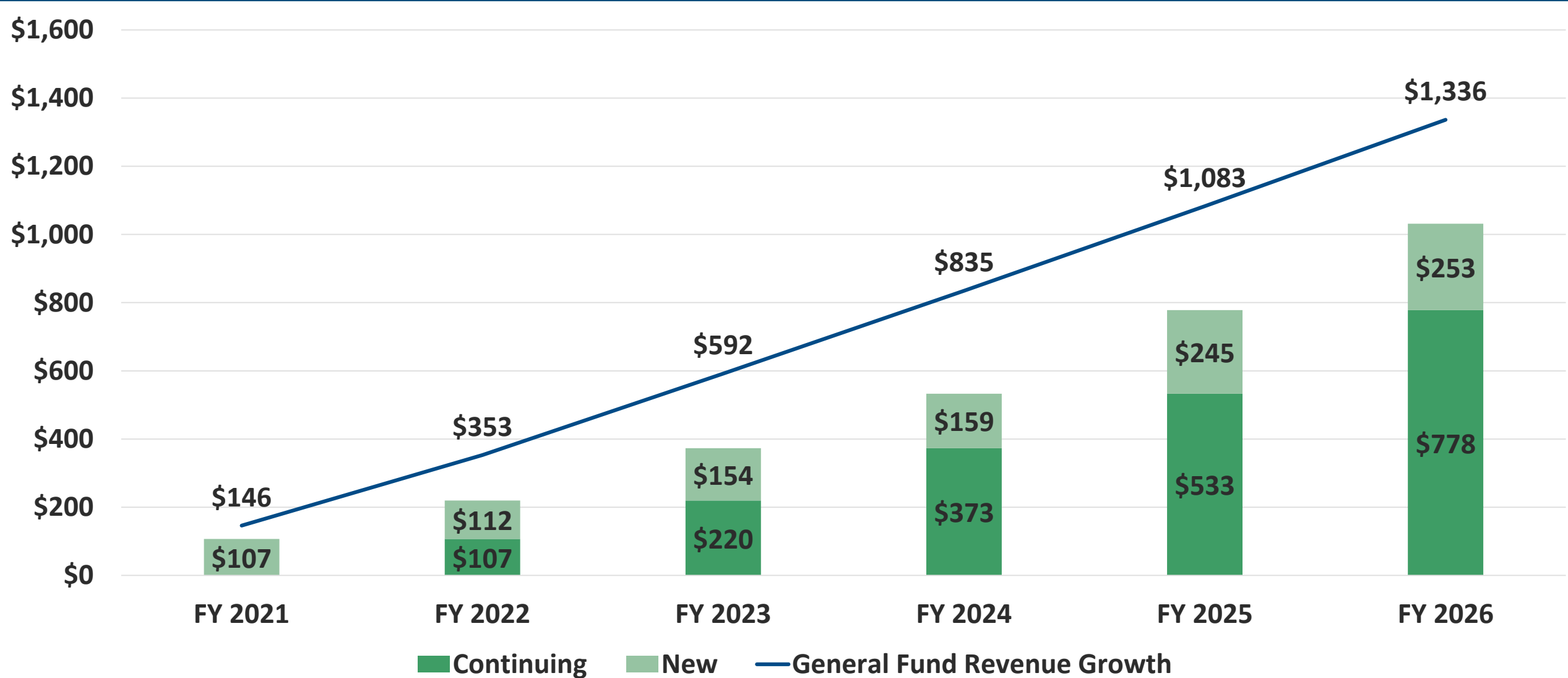
\$58 million for the Fund for Teaching Excellence

\$311 million for higher education Performance-Based Funding

\$30 million for needs-based CAP grants

\$1.032 billion In added annual investment in excellence and equity

Building up to 2026 (Millions)



Why Do Investments In Early Years Matter?

Learning

**85% of Brain
Development Before
Age 5**

**Achievement Gaps
Begin to Appear at 18
Months**

Workforce

**12.6% of Kentucky
Families Report Job
Insecurity Due to Lack
of Child Care**

**Lack of Child Care
Costs Employers Over
\$3 Billion Annually**

Return on Investment

**Returns \$5 for Every
\$1 Invested in Public
and Private Benefits**

**Benefits Include: Higher
Income & Education
Attainment, Less Crime,
Healthier Families, Less
Public Assistance**

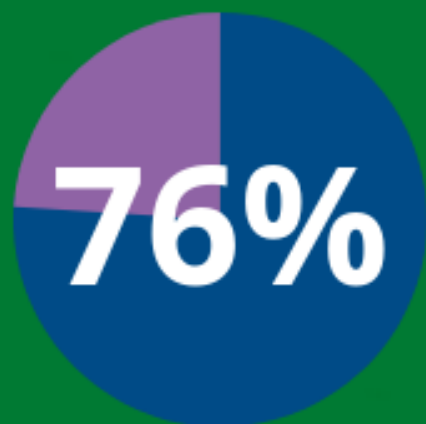


**PRICHARD COMMITTEE
FOR ACADEMIC EXCELLENCE**

STUDY • INFORM • ENGAGE

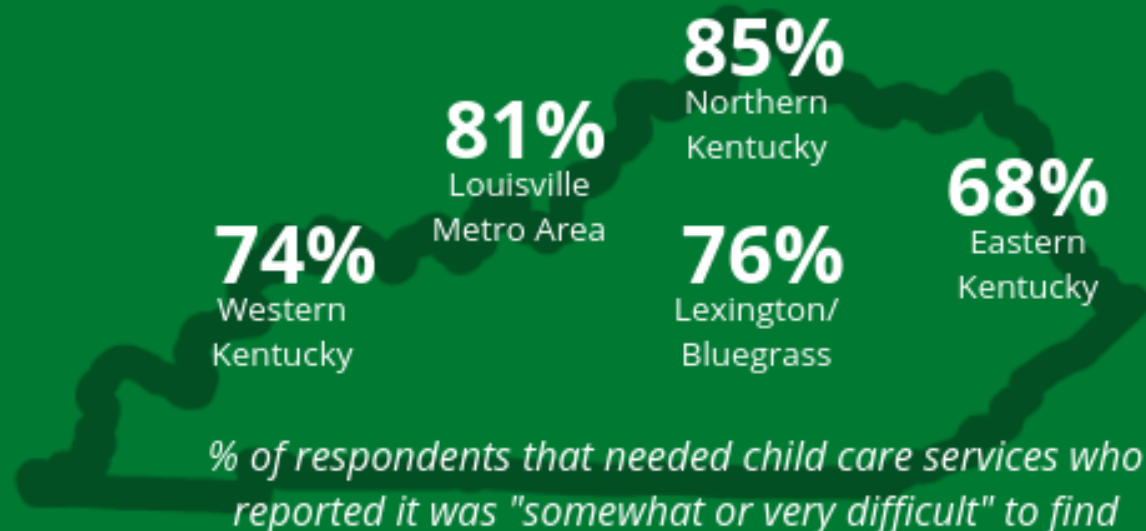
2019 Education Poll of Kentucky

How difficult is it to find quality, affordable childcare and preschool in Kentucky?



Percentage of voters that needed child care services who reported it was "somewhat or very difficult" to find

Statewide Issue



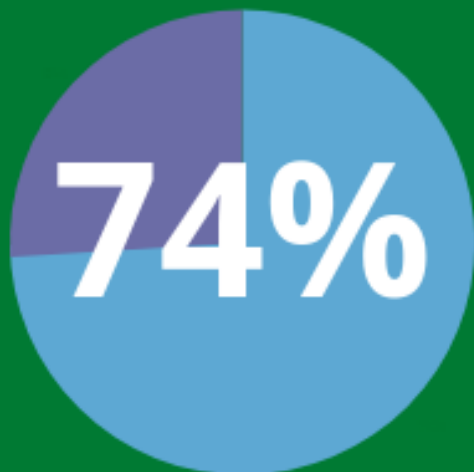


**PRICHARD COMMITTEE
FOR ACADEMIC EXCELLENCE**

STUDY • INFORM • ENGAGE

2019 Education Poll of Kentucky

Do you oppose or support increasing state funding for low-income working parents to provide quality childcare and preschool for their children?



Voters strongly or somewhat support increasing state funding for quality childcare & preschool

80%

Democrats

74%

Independents

67%

Republicans

Universal Support

A majority of Democrats, Independents, and Republicans all support increasing state funding for quality childcare & preschool.

41st

PRESCHOOL ENROLLMENT OF CHILDREN AGES 3 & 4

HAWAII is 20th at 47.1% >
Kentucky's rate is 41.3%

SOURCE: 2006, 2009, 2011, 2013, 2014
& 2016 three-year average estimates
(American Community Survey)

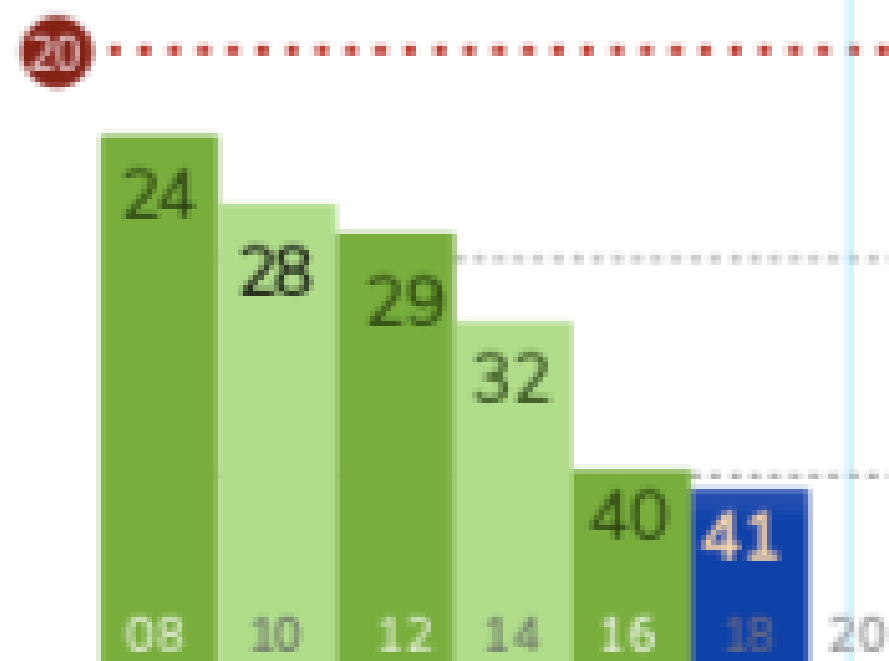
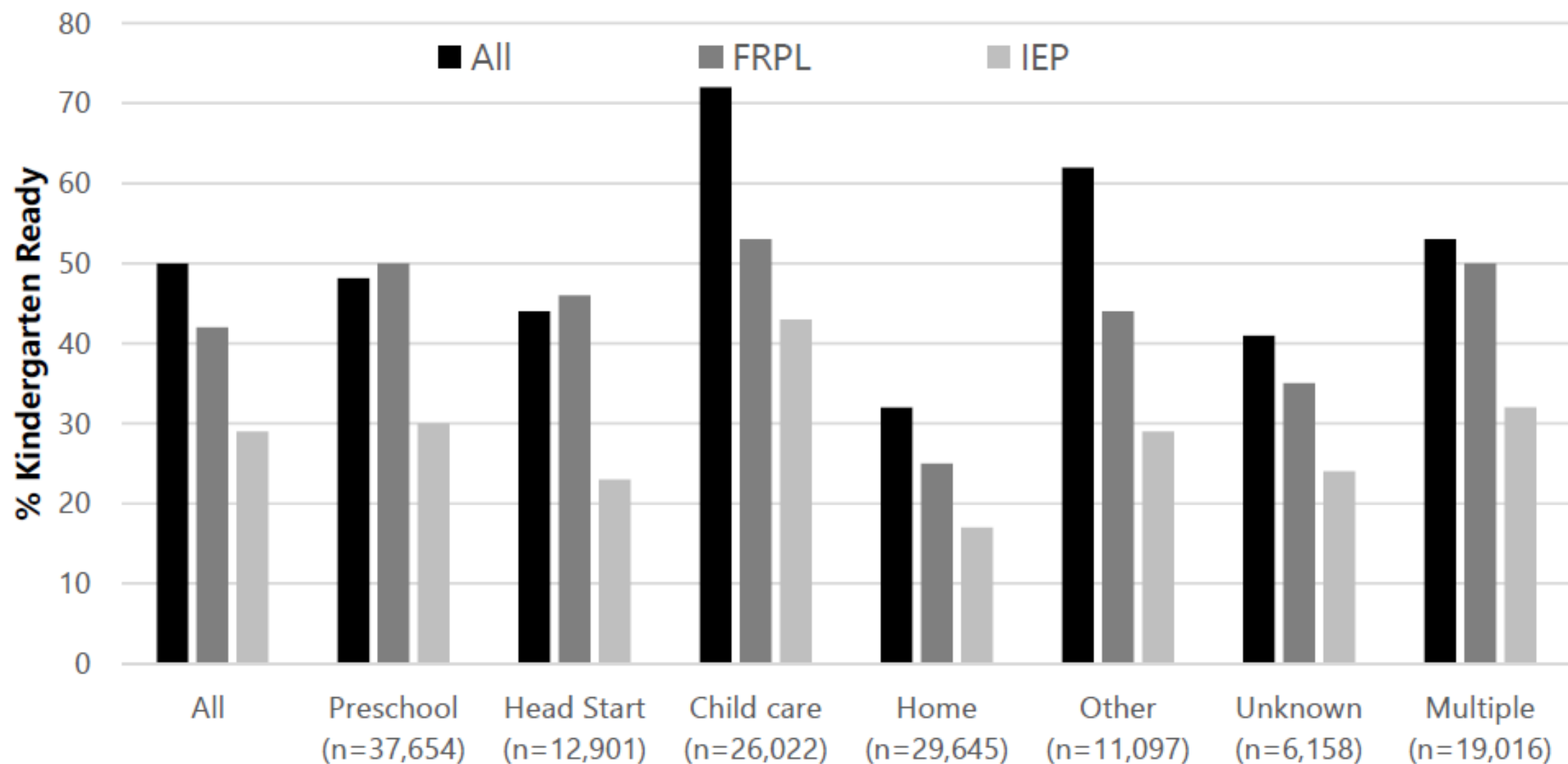
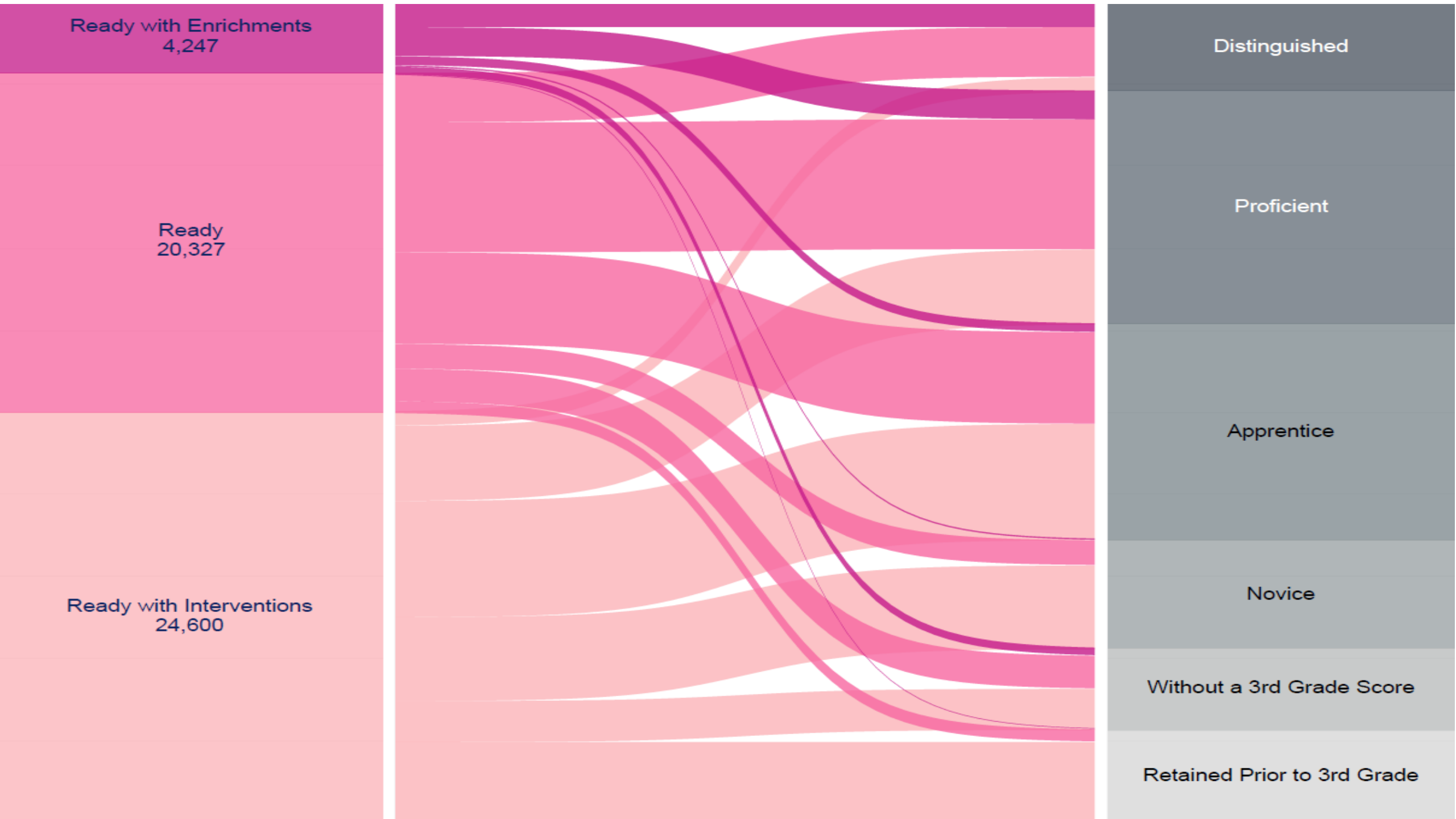


Figure 4.K
Average Kindergarten Readiness By Prior Setting, FRPL, And IEP Status
School Years 2015 To 2017





Ready with Enrichments
4,247

Ready
20,327

Ready with Interventions
24,600

Distinguished

Proficient

Apprentice

Novice

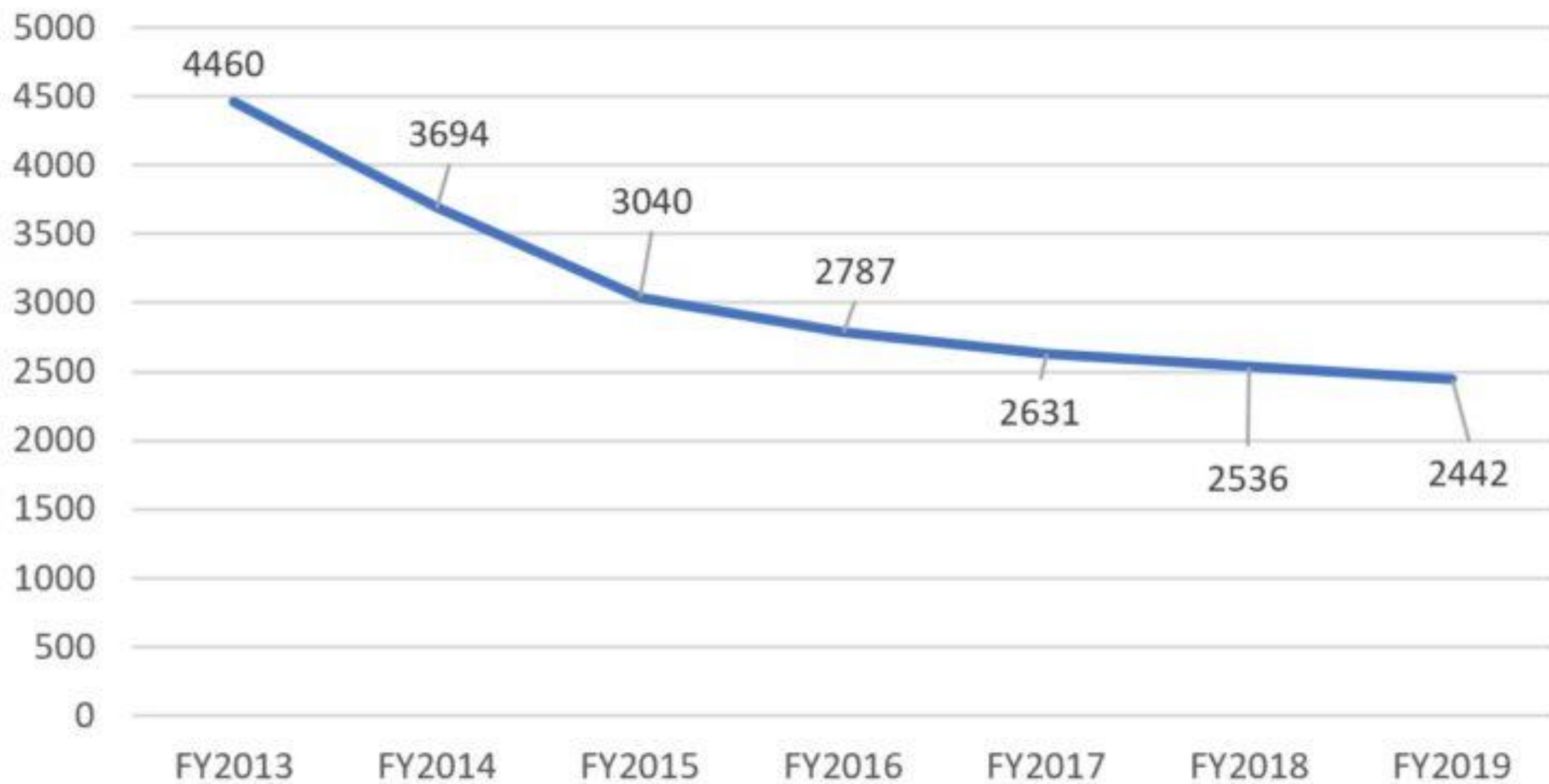
Without a 3rd Grade Score

Retained Prior to 3rd Grade

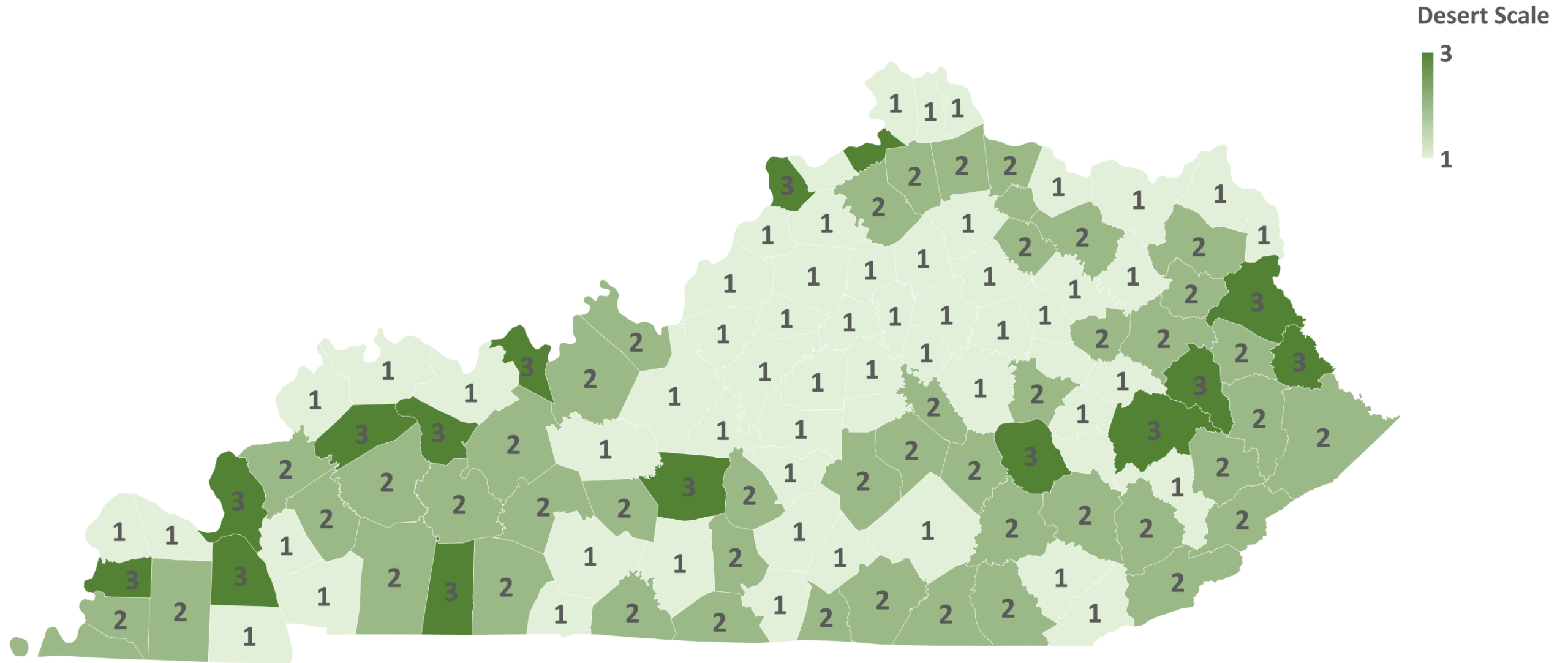
Child Care Assistance Program

- Supports Low-Income Families Afford Child Care through Subsidies**
- KY All STARS - Promotes Quality Through Enhanced Incentives to Child Care Providers**
- Currently Helps Support 28,678 Children through Child Care Assistance Program.**

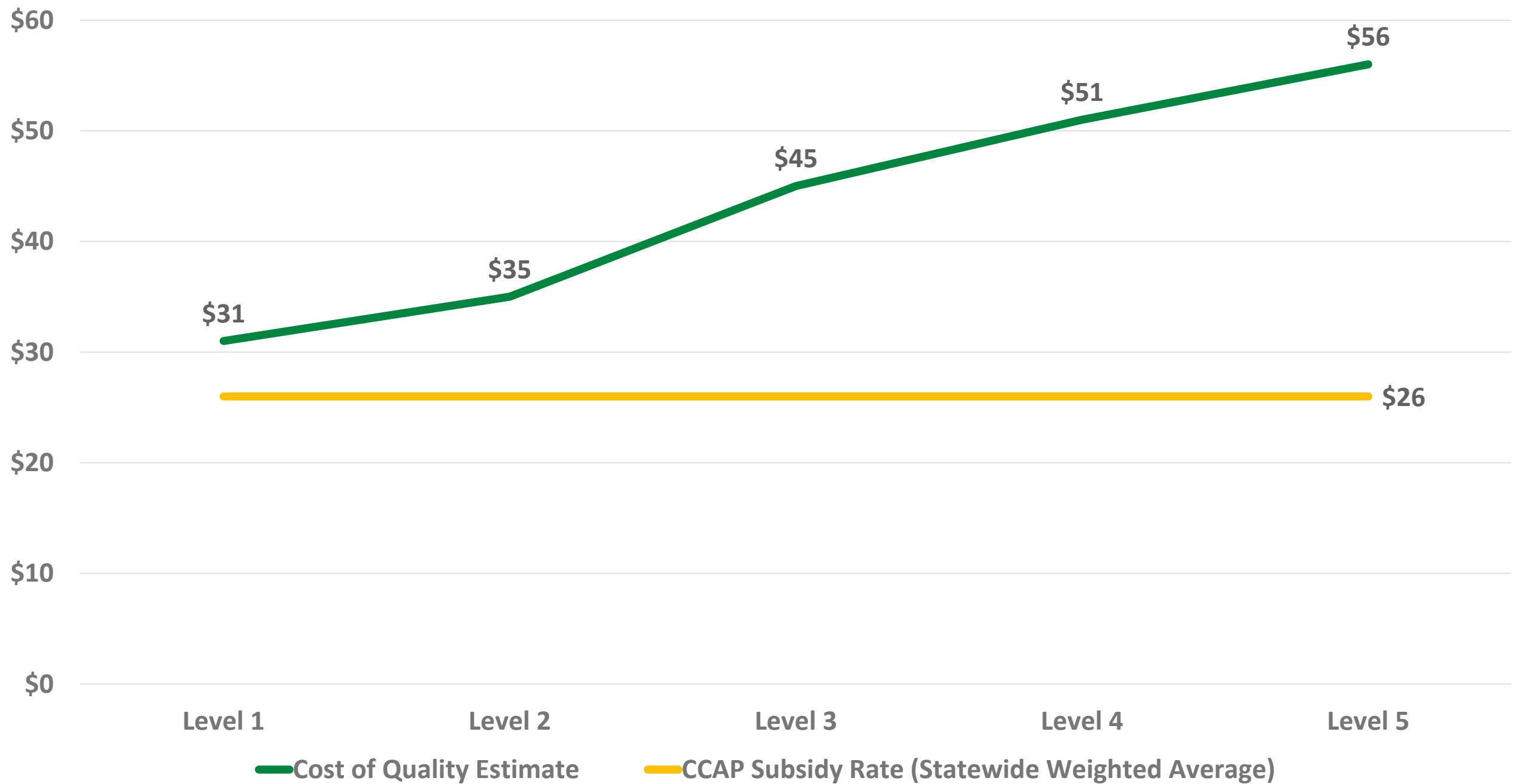
Number of Regulated Child Care Providers



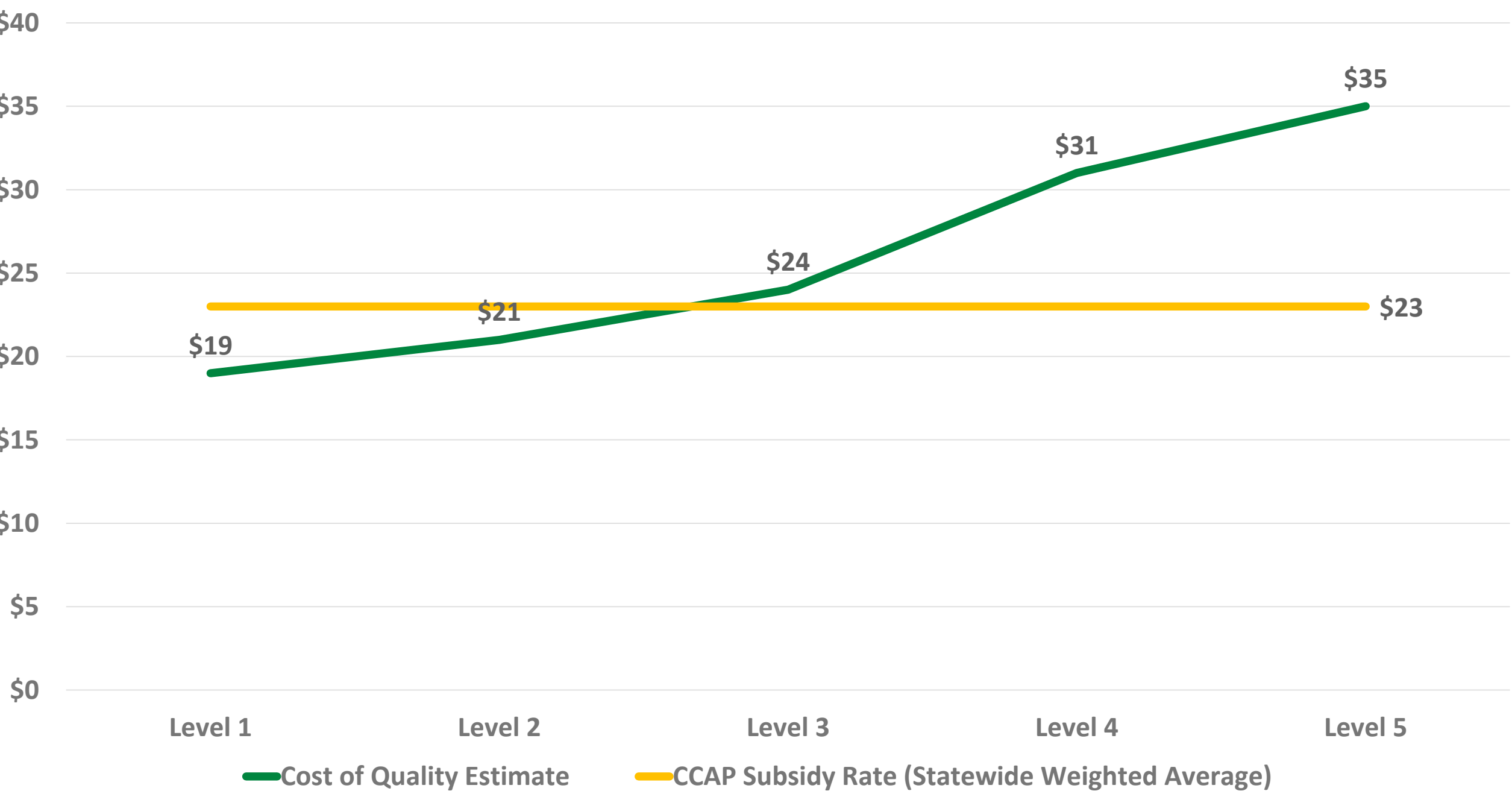
Scale of Child Care Deserts by County in Kentucky, 2018 Estimate (1 = more care available, 3 = least care available)



Cost of Quality - CCAP - Infants & Toddlers



Cost of Quality - CCAP - Preschool Age



What is Quality? – Child Care Assumptions					
	Level 1	Level 2	Level 3	Level 4	Level 5
Maximum class size (3 yr. olds)	24	22	20	16	14
Lead teacher hourly wage	\$8.73	\$9.22	\$9.70	\$10.19	\$10.67
Assistant hourly wage	\$8.25	\$8.73	\$9.22	\$9.70	\$10.19
Family coordinator	None	None	None	0.10 FTE	0.25 FTE
Specialists (PT, OT, Interpreter)	None	None	None	0.10 FTE	0.25 FTE
Child assessments	\$12	\$14	\$16	\$18	\$20

What can we do? – Childcare Assistance and Public Preschool

- **Support High-Quality, Full-Day Early Learning Environments**
 - **Increase eligibility for both CCAP childcare assistance and public preschool to 200% of the federal poverty level.**
 - **Increase reimbursements for both to support the true cost of quality.**
 - **Continue to Incentivize public-private partnerships between public preschool and childcare to support access for working families.**

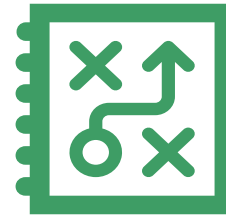
Building a Path to a Larger Life - Investing in Education Excellence with Equity							
Investment	FY 2020 Baseline	FY 2021 Proposed	FY 2022 Proposed	FY 2023 Proposed	FY 2024 Proposed	FY 2025 Proposed	FY 2026 Proposed
Child Care Assistance Program	\$26,349,900	\$56,767,765	\$88,824,882	\$126,812,069	\$167,258,135	\$220,383,966	\$277,607,930
Increase Over Baseline		\$30,417,865	\$62,474,982	\$100,462,169	\$140,908,235	\$194,034,066	\$251,258,030
One-Year Change		\$30,417,865	\$32,057,118	\$37,987,187	\$40,446,066	\$53,125,831	\$57,223,964
Phase-In of New Investment		10%	10%	15%	15%	25%	25%
# of Children Served by CCAP	28,678	32,517	36,356	40,195	44,034	47,873	51,712
Weighted Average Per-Child/Per-Day Subsidy - Infants to Pre-K	\$24.46	\$25.31	\$26.17	\$27.45	\$28.73	\$30.87	\$33.00

Education Excellence - Building A Path to a Larger Life



Must find ways to increase and sustain these critical investments.

Investing in the true Cost of Quality for early learning opportunities will reap benefits for all children, families, and communities.



We must seriously consider how to invest strategically...

Consider setting goals over a 6-year (3-biennia) and increasing investment through that framework.

BUILDING A PATH TO A LARGER LIFE
Investing in Education Excellence with Equity
\$1 billion by 2026

QUESTIONS?