POLICY BRIEF

RUTGERS

NIEER

Impacts of Covid-19 on Preschool Enrollment and Spending

GG Weisenfeld March 2021

Preschool Enrollment in Fall 2020 Declined

Nationally

To understand the degree to which the Covid-19 pandemic affected young children's learning and preschool experiences, the National Institute for Early Education Research (NIEER) conducted two nationally representative surveys of parents of children ages 3 to 5 years old (not yet in kindergarten).¹ The first survey was conducted in the spring of 2020, followed by a second survey in December 2020. Both surveys include some questions from previous national surveys such as the National Household Education Survey to enable comparisons between current circumstances and those prior to the pandemic.

The surveys revealed that participation in preschool programs declined sharply from pre-Covid pandemic levels. Prior to the pandemic, 71% of 4-year-old children in the study attended a preschool program, a percentage similar to what other national surveys have found in recent years.² At the time of data collection, preschool participation in the fall of 2020 had fallen from 71% to 54% (See Figure 1), including all delivery models (in-person, remote, and hybrid options).³ Among families with incomes below \$25,000 (approximately the federal poverty line), preschool participation at age 4 dropped from 64% to 43% compared to a drop from 72% to 55% for higher income families. Even more troubling, children in the lowest-income

NIEER's annual State of Preschool Yearbook has been tracking state-funded preschool program funding, access, and policies since the 2001-2002 school year. The Yearbook investigates states' efforts to expand the availability of highquality education to young children. Data for the Yearbook are collected directly from state preschool administrators in the 50 states, D.C., and the U.S. territories through a webbased survey.

The State of Preschool 2020 (in press) analyzed data from the 2019-2020 school year. Questions were included to better understand the impact Covid-19 had on preschool programs in the spring of 2020 as well as the fall of 2020. Findings from these questions, coupled with surveys conducted by local entities, as noted, informed this brief.

families had especially large declines in in-person preschool participation with just 14% in-person compared to 42% for all other children (See Figure 2).

State Pre-K Programs

Most state-funded pre-K programs reported that enrollment was "down" for the 2020-2021 school year compared to the previous year. For those that could report exact numbers, enrollment declines ranged from 15% to 41%. However, most programs simply reported a "reduction as compared to the previous school year" because exact counts were not yet available. It is important to note that for most states pre-K enrollment also fluctuated throughout the school year. For example, in Florida enrollment increased from 50% capacity at the start of the school year to 75% currently. This indicates that many more students got less education than is suggested by the final enrollment figures alone since they were not enrolled for a complete school year.

The three top reasons that have surfaced for this reduction in preschool enrollment include 1) lack of in-person options, 2) families concerned about safety of in-person schooling, and 3) cuts in preschool funding. For example, Alabama reported that its overall enrollment was 85% of capacity at the beginning of the 2020 school

year, increased to 92% in the winter, but still down from 97% the previous year. This reduction has been attributed, in part, to parents not having access to an in-person option that meets needs of working parents. Arkansas reported that the reduction of almost 5,000 children enrolled in its ABC preschool program may have been due to the presence of the Covid-19 virus in the local community and parents not being comfortable sending their children to a center-based program. In Hawaii, enrollment was down 41%, possibly due to parents opting to keep their children home rather than enroll in remote learning options. In New Mexico, not all families chose to participate in the NM PreK remote option due to families living in rural areas, children being home with grandparents, older children needing available internet for online learning, families being unemployed, and lack of internet access.

Beyond NIEER's data collection, some states have reported declines in preschool enrollment in fall 2020 as compared to the previous year:

- In October 2020, counts released by the **Ohio** Department of Education were down 26.7% (almost 15,000 students) as compared to the October 2019 count.⁴
- **Colorado** Preschool Program enrollment declined about 20%.⁵
- The Illinois State Board of Education has not yet released its fall 2020 enrollment counts, however Chicago Public Schools data indicate an enrollment reduction of 34% across 3- and 4-year-olds in its state-funded *Preschool For All* program. The decline was 44% among Black preschoolers and 29% among Latino preschoolers, compared with 22% for white students and 9% among Asian preschoolers.⁶
- When comparing **New York** State Education Department's preliminary enrollment data (posted 1/14/21) to final enrollment data for the 2019-2020 school year, part-day pre-K enrollment dropped by 21.2% and full-day pre-K by 18.6%.⁷ In **New York City**, the drop in enrollment for 4-year-old pre-K students was 13%.⁸
- According to **Florida's** Department of Education, Voluntary Prekindergarten enrollment fell to 50% of pre-pandemic levels and has slowly rebounded, but remains just 75% of 2019-2020 enrollment as of February 2021.⁹
- The **Texas** Education Agency has not yet released enrollment reports for 2020-2021, however many of the Independent School Districts have. For example, **Dallas's** pre-K enrollment is down by more than 37%.¹⁰
- Louisiana's pre-K program enrollment was down 15.9% compared to the prior year.¹¹

State Funding for Preschool was Down in Fall 2020

There is no question that the Covid-19 pandemic has affected state budgets. Figure 3 shows how impacts to state budgets have (and have not) trickled down to impact state preschool programs starting in the spring of 2020 and continuing into the fall of 2020. A few states expanded their pre-K programs, some decreased, and some expansion efforts were halted or reduced. Most preschool programs, however, were able to neutralize the impact Covid-19 had on them through utilizing other funding sources. It remains to be seen if this will be sustainable or if the impacts will be delayed, like we saw in the aftermath of the 2008 Great Recession.

Increased Funding

Even during the pandemic, several states were able to increase access to preschool, including Oregon, Rhode Island, and New Jersey. Although the revenue source utilized to expand preschool in Oregon in 2020-2021 is expected to generate significantly less revenue than expected, the Governor and legislature committed to ensuring preschool expansion would not be impacted when they allocated 20% of the historic \$1 Billion Dollar Student Success Act to early childhood education. The Oregon Preschool Promise program more than doubled their funded slots, from 1,482 to 3,890, between the 2019-20 school year and the 2020-21 school year. The Oregon Pre-Kindergarten program utilized expansion funding to extend part-day programming to full, school day programming and increase teacher and assistant teacher salaries in all programs to achieve pay parity. During the 2019-2020 school year, only 5% of slots were funded for a full-day whereas 35% were funded for a full day starting in fall 2020.

Rhode Island used \$3 million of its PDG B-5 Renewal funds to increase seats in the 2020-2021 school year. New Jersey has continued to commit state funding to expand access to public preschool throughout the pandemic. Although smaller than the original \$25 million proposed for 2020-2021, the legislature maintained \$10 million in the state's revised budget for preschool expansion, and school districts were approved to start services in the Spring 2021 semester. Governor Murphy also recently proposed an additional \$26 million to further increase seats in 2021-2022 budget address.¹²

Decreased Funding

In Louisiana, one if its preschool programs, Louisiana Quality Education Support Fund - 8(g), reduced funds distributed in 2020-2021 due to declining investment earnings by approximately 27%. The Nevada pre-K budget was cut by \$6.2 million due to Covid-19. Federal funds were used to make up some of the deficit (\$4.8 million), but one school district dropped out and funding was not restored.

Expansion Halted

In a few states, expansion or increased funding for the 2020-2021 school year was negatively impacted due to the Covid-pandemic. For example:

- In Utah's 2020 legislative session, an additional \$3 million was allocated to its newly created statefunded preschool program. Unfortunately, these funds were cut during the special session to address the Covid-19 pandemic.
- Hawaii's legislature initially cut funding for six educational assistants and one teacher position from its Executive Office on Early Learning's base budget. Funding was eventually reinstated, but these initial staffing uncertainties impacted the ability of three schools to open their pre-k classrooms in the fall of 2020.
- In Virginia's original 2020 State Budget, the state legislature had approved an over \$90 million dollar increase for early childhood over the next two years, with the majority of those funds supporting state pre-K. This increase in funding included a per-pupil increase of 10% for 2020-2021 and an additional 10% for the following school year (2021-2022), which has now been unallocated as a result of the pandemic. Some funding has been restored through a \$10 million investment of federal Governor's Emergency Education Relief (GEER) funding, however, the per pupil rate increase has not been restored.
- In Washington, the Early Childhood Education and Assistance Program (ECEAP) was expecting to expand by 662 slots. However, due to Covid-19 and budget shortfalls, ECEAP was only allowed to distribute 177 of these slots to communities.

Offsetting Lost Funding and Increased Costs

Covid-related expenses included remote curriculum costs, additional cleaning/sanitizing supplies, personal protective equipment (PPE), technology for remote learning/family access, enhanced pay/bonuses for staff, transportation, etc. Most states were able to neutralize deficits by applying for federal relief funds, most notably the Coronavirus Aid, Relief, and Economic Security (CARES) Act which funds coronavirus response efforts by state and local governments along with supplemental funding for public education. Within the CARES Act is the GEER Fund. Some states also used emergency funds to supplement lost revenue.

• **Delaware** leveraged CARES Act funding to create an Enhanced Reimbursement tiered payment system for vacant seats.

- **California** used a variety of approaches to support preschool programs in its mixed delivery system. The Learning Loss Mitigation Funding (LLMF) (SB 820 Sec. 110), is comprised of several sources including federal GEER dollars and the General Fund, which can be used to support local education agencies (LEAs) that may be used for the California State Preschool Program (CSPP) and Transitional Kindergarten (TK) when housed in public schools. In addition, CSPP used CARES Act funding to support CSPP programs housed in nonpublic schools. Pennsylvania's preschool programs had support through CARES Act and GEER funding, but access and eligibility varied by program.
- South Carolina's Governor McMaster allocated \$7 million of the state's \$19.9 million GEER Fund to expand day or summer programs for children eligible for the full-day 4K program in both public schools administered by the South Carolina Department of Education (\$2 million) and private programs though the Office of First Steps (\$5 million).

Strategies to Support Pre-K Funding

In most states how much funding preschool programs received depends on enrollment or attendance, either current year or prior. With enrollment and participation rates down some programs would have faced reductions in funding this year, while others may face funding reductions next year if the normal rules for funding were followed. To prevent the pandemic related disruptions from reducing funding, some states have enacted "**hold harmless**" policies or adopted other changes to protect program budgets. For example:

- For **Michigan's** Great Start Readiness Program, the legislature appropriated an amount equal to the 2019-2020 funding for 2020-2021 and has made its intent clear that allocation for the following school year (2021-2022) will be based on 2019-2020 enrollment.
- Beginning in March 2020 and continuing into the 2020-2021 school year, **California's** CSPP providers (public schools and community based providers) have been held harmless financially during periods of CSPP closures caused by the COVID-19 pandemic. To be held harmless CSPPs must meet certain conditions, including continued operations to support children, their families, and staff during the emergency closure.
- New Jersey's current school funding formula (the School Funding Reform Act, or SFRA) has a provision to keep the former Abbott districts "held harmless." However, the SFRA was enacted in 2008, and therefore programs are guaranteed to receive funding not less than either their total allocation in 2008-2009 or their per child rate in 2008-2009, whichever is higher.
- Arizona developed a temporary reimbursement policy in spring 2020 that continued through the fall of 2020 that provides reimbursement to programs both closed and open for services.
- **Georgia**, which funds preschool classrooms, is not prorating allotments based on reduced enrollments. That is, classrooms receive their full funding even if they are under enrolled.
- Preschool students engaged in remote learning on *Count Day* were allowed to be included in a district's enrollment count in **Kansas**.¹³
- **Connecticut's** Office of Early Childhood (OEC) adjusted its funding mechanisms in response to program fragility and changing circumstances due to Covid-19. Policies included reimbursing on a perclassroom basis (as opposed to a per-child basis); extending funding, without requiring a rebidding process; and OEC will pay the program's obligations related to facility loans for the first six months of FY21.

Some states have reversed initial payment policies. For example, on February 12, 2021, the **New York** State Division of the Budget approved that any 20% withholdings from final payments for the 2019-2020 school year would be paid in full. Furthermore, any initial payments to UPK programs for the 2020-2021 school year that were subject to the 20% withholding will also be paid back in full.

Next Steps for States

In the next few months, states need to develop strategies to support children who have possibly lost over one year of in-person learning and socialization and stabilize their state-funded preschool programs. There have been federal funding opportunities to support this work, as previously mentioned, but there is still much work that needs to happen at the state level.

Supporting Preschoolers

Remote learning is not as effective as in-person preschool. In addition, there has been a decline in the number of children attending preschool in any form (remote, in-person, or hybrid). Programs have not been able to identify and serve children with disabilities as well as usual.¹⁴ The stresses of the pandemic have likely stressed children and inhibited their social and emotional development. Some states have systems for assessing children and determining kindergarten readiness, some have a few of the components (i.e., a kindergarten readiness assessment), and some are lacking a comprehensive kindergarten assessment and definition of kindergarten readiness. In addition, some states have waived child assessment requirements due to the challenges of collecting data during Covid. Even though this paper focuses on preschoolers, there will also be children entering kindergarten in the fall of 2021 who have missed out on attending an in-person preschool program. Kindergarten and elementary schools will need to make similar adaptations as those described for preschool.

States need to make plans to support the young children who have missed out on in-person learning opportunities as well as those who may have attended remotely which lacks many of the characteristics of preschool. Some of the areas that need to be included within these plans, include:

- Ensuring programs are prepared to recruit and reassure parents so that all eligible children come back to preschool (and kindergarten).
- Children with disabilities who were missed last year, as well as those who move into preschool this year, need to be identified and receive the services they are entitled to under the law.

Perhaps the best thing states can do is to ensure every child has access to high quality teaching in preschool and kindergarten. This requires funding to hire and retain great teachers for the increased number of children who will enroll next school year and to provide additional support for their teachers through coaching and other staff to help children who may struggle with language, literacy and numeracy skills, or social-emotional development and classroom behavior.

Supporting Preschool Programs

States also need to provide supports to programs operating pre-K programs. In addition to preparing for enrollment fluctuations, there are several areas that should be considered.

Federal funding. President Biden's proposed *American Rescue Plan* outlines several potential sources of child care funding that could be used to defray the cost of higher quality care while also increasing access.¹⁵ Although these federal funding sources are substantial, they are targeted to child care, not preschool. State-funded preschool programs typically operate within a mixed-delivery system, serving children in both public school and private settings. GEER funds are available for public schools, and can be used to support preschoolers, but is it not a requirement. Since preschool is not explicitly included in federal guidance, it is up to the states to set policies to target some of these funds to pre-K.

Funding policies. Some states fund preschool based on the previous year's enrollment counts, and some rely on unpredictable funding sources. The COVID pandemic has illustrated the flaws in this system. Some states have remedied this by holding states "harmless," thereby not penalizing them for declining enrollment due to pandemic. Another strategy implemented that supports programs, and may maintain access and quality of these programs is funding based on whole classrooms, instead of individual child enrollment. This provides more stable funding to support classrooms and keep qualified teachers, particularly during times of crisis. In states

where preschool funding is included in the state's school funding formula, support for public preschool is generally more predictable, but fewer than a dozen state programs take this approach.

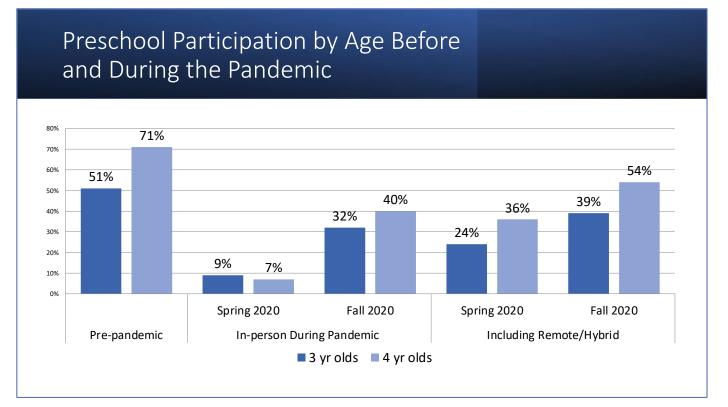
Summer programs. A few states have begun to develop summer programs. In Florida and Georgia, funds are being used to enhance their already existing programs, and others are creating summer programs for the first time. The challenge becomes that these programs must support the whole child, in particular social-emotional needs of students, rather than only addressing pre-academic readiness skills like literacy and math. Another challenge is identifying a workforce that is skilled and qualified to address the needs of preschool children after a year, or possibly longer, of limited in-person learning opportunities.

Conclusion

Access to pre-K differs greatly across the nation, with some states offering universal access while others serve just a small proportion of four-year-olds.¹⁶ Nationally, about 60% of 3- and 4-year-old children attended center-based programs (50% at age three; 70% at age four), prior to Covid-19.¹⁷ Progress across the nation has been slow and uneven, punctuated by a lack of progress or even declines in difficult times. The pandemic is the latest test that pre-K has faced. It has reduced children's enrollment in preschool programs and through its negative impacts on the economy and increased demands on government made it more difficult for states to support pre-K progress. Funding for these programs has also been impacted, and may be for years to come.

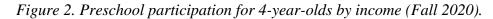
Even without the impact of the Covid-19 pandemic, state preschool programs are underfunded and are still feeling the impacts of the 2008 Great Recession.¹⁸ In our analysis, it is estimated that funding declined about \$1 billion a year compared to the prerecession trend. The national per child funding level took almost a decade to recover, when adjusting for inflation. The worst impacts on state pre-K funding occurred up to four years after the recession began. In other words, we need act quickly to not only restore and preserve funding, but also increase it.

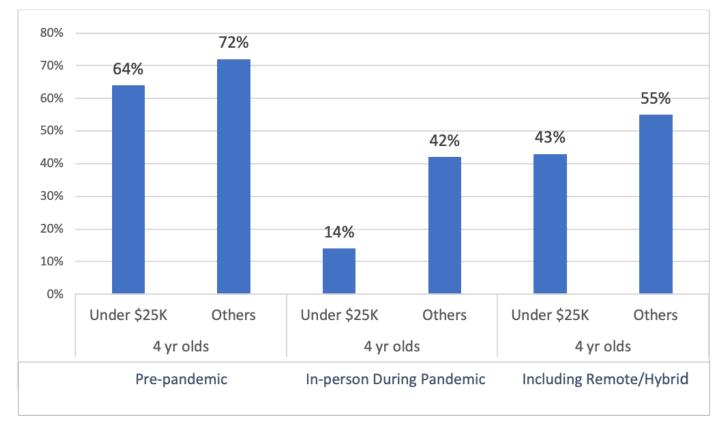
Figure 1. Preschool participation before and during Spring and Fall 2020) by age.



Source: Barnett, W. S., & Jung, K. (2021). Seven impacts of the pandemic on young children and their parents: Initial findings from NIEER's December 2020 preschool learning activities survey. National Institute for Early Education Research. <u>https://nieer.org/wp-</u>content/uploads/2021/02/NIEER_Seven_Impacts_of_the_Pandemic_on_Young_Children_and_their_Parents.pdf







Source: Barnett, W. S., & Jung, K. (2021). Seven impacts of the pandemic on young children and their parents: Initial findings from NIEER's December 2020 preschool learning activities survey. National Institute for Early Education Research. <u>https://nieer.org/wp-</u>content/uploads/2021/02/NIEER_Seven_Impacts of the Pandemic on Young Children and their Parents.pdf

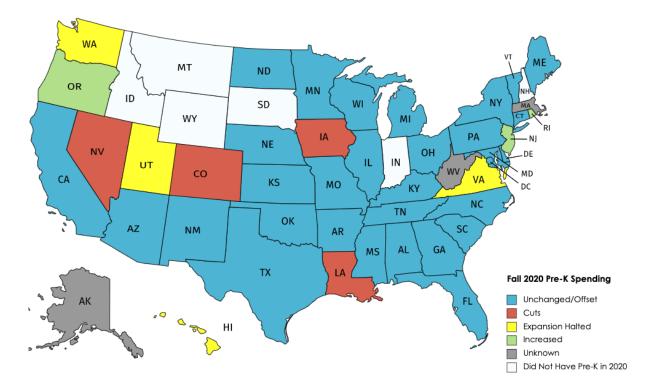


Figure 3. Fall 2020 Pre-K Funding



Acknowledgments

Funding for this policy brief was provided by the Heising-Simons Foundation and the Bill and Melinda Gates Foundation. The author is solely responsible for content of this report.

About NIEER

The National Institute for Early Education Research (NIEER) at the Graduate School of Education, Rutgers University, New Brunswick, NJ, conducts and disseminates independent research and analysis to inform early childhood education policy.

Suggested Citation

Weisenfeld, G. G. (2021). Impacts of Covid-19 on Preschool Enrollment and Spending. New Brunswick, NJ: National Institute for Early Education Research.

About the Author

GG Weisenfeld is an Assistant Research Professor at NIEER. Her current work includes conducting national scans of pre-K policies at the state and city level, researching state efforts that support the implementation of high-quality preschools and kindergarten entry assessments, contributing to the research and production of NIEER's annual State of Preschool Yearbook, and offering technical assistance for state and city leaders on designing and enhancing pre-K efforts. She earned a Master's degree from Bank Street College and Doctorate from Teachers College, Columbia University.

content/uploads/2021/02/NIEER Seven Impacts of the Pandemic on Young Children and their Parents.pdf; Barnett, W.S., Jung, K., & Nores, M. (2020). Young children's home learning and preschool participation experiences during the pandemic. NIEER 2020 Preschool Learning Activities Survey: Technical report and selected findings. National Institute for Early Education Research. <u>https://nieer.org/wp-content/uploads/2020/11/NIEER Tech Rpt July2020 Young Childrens Home Learning and Preschool Participation Experiences During the Pandemic-AUG2020.pdf</u>

¹² In total, Governor Murphy proposed \$50 million with about half (\$26 million) going for increasing slots. For more information, see: State of New Jersey. (February 2021). *The state of New Jersey budget in brief: Summary budget recommendations*. https://www.nj.gov/treasury/omb/publications/22bib/BIB.pdf.



¹ Barnett, W. S., & Jung, K. (2021). Seven impacts of the pandemic on young children and their parents: Initial findings from NIEER's December 2020 preschool learning activities survey. National Institute for Early Education Research. <u>https://nieer.org/wp-</u>

² For example, see: Friedman-Krauss, A. H., Barnett, W. S., Garver, K. A., Hodges, K. S., Weisenfeld, G. G., & Gardiner, B. A. (2020). *The state of preschool 2019: State preschool yearbook*. National Institute for Early Education Research. https://nieer.org/wp-content/uploads/2020/11/YB2019_Full_Report.pdf; Corcoran, L., & Steinley, K. (2017). *Early childhood program participation, from the national household education surveys program of 2016 (NCES 2017–101)*. National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education. <u>http://nces.ed.gov/pubsearch</u>

³ Barnett, W. S., & Jung, K. (2021).

⁴ Ohio Department of Education. (n.d.). Enrollment data. <u>http://education.ohio.gov/Topics/Data/Frequently-Requested-Data/Enrollment-Data</u>

⁵ Ricciardi, T. (2020, December 15). Colorado public school enrollment drops for the first time in 30 years due to COVID-19 pandemic. *Denver Post.* <u>https://www.denverpost.com/2020/12/15/colorado-school-enrollment-down-covid/</u>

⁶ Burke, C. W. (2020, October 16). Chicago just reported the largest enrollment drop in two decades. How that's factoring into the reopening push. *Chalkbeat Chicago*. <u>https://chicago.chalkbeat.org/2020/10/16/21519560/chicago-public-schools-loss-of-14500-students-is-putting-reopening-pressure-on-district-leaders</u>

⁷ New York State Education Department. (2021, January). *Information and Reporting Services: Public school enrollment*. http://www.p12.nysed.gov/irs/statistics/enroll-n-staff/home.html

⁸ Zimmerman, A., & LeMee, G. L. (2021, January 27). Enrollment in NYC is down 4% amid the pandemic. How many students has your school lost? *Chalkbeat New York*. <u>https://nyc.halkbeat.org/2021/1/27/22252172/nyc-school-enrollment-decline</u>.

⁹ Health, C. (2021, February 15). More time for testing, but Florida concerned students are falling behind. *WFTV.com*. <u>https://www.wftv.com/news/local/more-time-testing-florida-concerned-students-are-falling-behind/P6JFFFLDZFEFLBFRFNR275BQKE/</u>

¹⁰ Smith, C. (2020, September 14). Early look at Dallas ISD enrollment figures paints a grim picture. *The Dallas Morning News*. https://www.dallasnews.com/news/education/2020/09/14/early-look-at-dallas-isd-enrollment-figures-paints-a-grim-picture/

¹¹ Associated Press. (2021, January 24). Public school enrollment drops in Louisiana amid pandemic. U.S. News and World Report. https://www.usnews.com/news/best-states/louisiana/articles/2021-01-24/public-school-enrollment-drops-in-louisiana-amid-pandemic

¹³ Kansas State Department of Education. (2021, February 12). *Navigating change: Kansas' guide to learning and school safety operations*. <u>https://www.ksde.org/Teaching-Learning/Resources/Navigating-Change-Kansas-Guide-to-Learning-and-School-Safety-Operations</u>.

¹⁴ Support for young children with disabilities appears to have suffered from lower rates of identification as well as difficulties providing children with all the services they should be receiving. The percentage of young children with an Individualized Education Plan (IEP) declined from 9% to 7% (p<.10) from Spring to Fall 2020. For more information, see: Barnett, W. S., & Jung, K. (2021).

¹⁵ In addition to the \$10 billion increase to the Child Care Development Block Grant approved by Congress in December 2020, the Biden Administration is proposing another \$15 billion increase to CCDBG to support increased access to care as well as higher compensation for child care workers. The American Rescue Plan also calls for a \$25 billion Emergency Stabilization Fund to help child care providers cover the cost of rent, utilities, payroll and other costs related to safety during the pandemic. These funding increases are further supplemented by a proposed one-year tax credit of up to 50% of the cost of child care for families making under \$125,000 per year. Partial credits are proposed for families earning between \$125,000 and \$400,000 annually.

¹⁶ For example, see: Friedman-Krauss et. al (2020); Cui, J., & Natzke, L. (2020). Early childhood program participation: 2019 (NCES 2020–075). National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education.

http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2020075; Hustedt, J. T., & Barnett, W. S. (2011). Financing early childhood education programs: State, federal, and local issues. *Educational Policy 25 (1):* 167–192.

¹⁷ Friedman-Krauss et. al (2020).

¹⁸ Garver, K. (2020, June). *How will the COVID-19 pandemic impact pre-k? Lessons from the great recession*. National Institute for Early Education Research. <u>https://nieer.org/wp-content/uploads/2020/11/How-Will-The-COVID-19-Pandemic-Impact-Pre-K.pdf</u>