

# Pre-K and Charter Schools: Where State Policies Create Barriers to Collaboration

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# Introduction

Over the past decade, both charter schools and pre-K have shown tremendous potential to change the educational and life trajectories of low-income kids. On their own, high-quality pre-K programs and high-performing charter schools are narrowing achievement gaps and boosting learning for children in poverty. Combined, they have the potential to do even more.

Research shows that high-quality charter schools offer greater learning gains for poor children than the traditional schools they would otherwise attend, particularly in urban areas. (See *Evidence on Charter Schools*.) But as states adopt new, more rigorous standards for college and career readiness, even schools that produce strong student learning gains—more than a year’s growth—may not produce enough growth to enable students who start out far behind to reach college and career readiness.

At the same time, the best pre-K programs are allowing at-risk kids to enter school ready to succeed—and producing learning gains that last into elementary school. (See *Evidence on Pre-K*, page 11.) But it’s up to K–12 schools to carry the ball the next thirteen years and graduate college- and career-ready students.

In other words, neither high-quality pre-K nor effective charter schools alone may be sufficient to realize our long-term goals for the nation’s most at-risk students. In combination, however, they could do dramatically more.

Unfortunately, current policy and practice in many states create barriers that prevent high-quality pre-K and high-performing charter schools from working together to improve long-term outcomes for children. In large part, this is because the number of both pre-K and quality charter slots in many places is insufficient to reach all students who might benefit. But it’s also the result of policymaking done in silos. In many states, a lack of alignment among charter school, pre-K, and finance policies makes it difficult for charter schools to access state pre-K funds, or to ensure that the children served with those funds can continue into charter elementary programs.

## EVIDENCE ON CHARTER SCHOOLS

Similar to high-quality pre-K programs, charter schools have proven particularly effective at improving learning for students in poverty. A recent evaluation by the Center for Research on Education Outcomes (CREDO) at Stanford University found that charter students living in poverty gained fourteen days of additional learning in reading and twenty-two days of additional learning in math each year compared to their peers attending traditional public schools.<sup>1</sup> A study of charter schools in forty-one urban areas, including the cities with the highest concentrations of charter schools, found even more impressive results: Charter students living in poverty in these cities gained

seventeen days of learning in reading and twenty-four days of learning in math each year compared to their district peers.<sup>2</sup> This research also indicates that charters are producing greater learning gains for black and Hispanic students, as well as for black and Hispanic students living in poverty.

Other rigorous research on charter school impacts has reached similar findings. Collectively, the research suggests that charters, on average, produce slightly greater learning gains than traditional public schools; that some of them produce much greater learning gains than others; that elementary and middle school charters appear to produce



slightly better results than high school charters (compared to traditional public schools); and that charters appear to most benefit low-income and black students.<sup>3</sup>

While this research suggests that charter schools are improving outcomes for historically underserved and at-risk student subgroups, it also shows wide variation in charter school performance overall. While roughly one-quarter of charter schools produce greater learning gains than traditional public schools in reading, and nearly one-third do so in math, one in five charter schools produced worse results than traditional public schools in reading—and nearly one-third did so in math (the rest produced results roughly comparable to traditional public schools). Charter performance also varies substantially across cities and states.

This variation indicates that charter schools are not necessarily a magic bullet for improving the learning and lives of at-risk students; rather, high-performing charter schools are what make

the difference. For this reason, states seeking to eliminate barriers to charters accessing state pre-K funding should also ensure that only high-quality charter schools—those that produce student learning gains at least as good as those of comparable, traditional public schools—have access to pre-K funding.

1 CREDO, “National Charter School Study: 2013” (Stanford, CA: Center for Research on Education Outcomes, 2013), <http://credo.stanford.edu/documents/NCSS%202013%20Final%20Draft.pdf>.

2 CREDO, “Urban Charter School Study: Report on 41 Regions” (Stanford, CA: Center for Research on Education Outcomes, 2015), <https://urbancharters.stanford.edu/download/Urban%20Charter%20School%20Study%20Report%20on%2041%20Regions.pdf>.

3 Julian Betts and Y. Emily Tang, “Effect of Charter Schools on Student Achievement: A Meta-Analysis” (Seattle, WA: Center on Reinventing Public Education, 2011), [http://www.crpe.org/sites/default/files/pub\\_NCSR\\_P\\_BettsTang\\_Oct11\\_0.pdf](http://www.crpe.org/sites/default/files/pub_NCSR_P_BettsTang_Oct11_0.pdf).

These disconnected policies, and the barriers they create, are likely to become increasingly problematic as both the charter sector and the state pre-K movement continue to grow. Nationally, the charter sector has grown 6 percent annually over the past five years. Charters currently serve more than one-quarter of students in twenty-one cities, including more than half of students in New Orleans and Detroit. And they’re on track to serve the majority of students in several more cities in the next five years.<sup>1</sup> State pre-K programs are also growing. (See *What is State Pre-K?*, page 13.) Although the pace of pre-K growth slowed during the economic recession of the late 2000s, states as diverse as Michigan, Alabama, and New York have begun to expand pre-K funding and slots again. And long-time pre-K holdouts—Indiana, Mississippi, and Montana—have recently created programs. In addition to state efforts, federal initiatives such as the Obama administration’s Preschool Development Grants could further accelerate the pace of pre-K expansion.

As policymakers and advocates seek to support the growth of both high-quality state pre-K and charter schools, they have a tremendous opportunity to improve educational opportunities for American children—particularly those from low-income backgrounds. But if they fail to consider how charter schools and pre-K might work together, they’ll miss out on a huge opportunity.

This report aims to help policymakers think strategically about how to marry charter and pre-K policies to improve children’s long-term education outcomes. It identifies major policy and practical barriers that currently prevent this from happening and offers specific policy recommendations for eliminating them and improving coordination between the sectors.

As supporters of diverse delivery in both early childhood and K–12 education, we recognize that charter schools are only one of a variety of providers that can offer high-quality pre-K learning experiences for children. And we by no means believe that charters are necessarily better pre-K providers than the range of other organizations—community-based child care providers, private nursery schools, Head Start programs, and district schools—that currently serve preschool students. We also recognize that not all charter schools have the expertise to offer pre-K—or the desire to do so. But we believe charter schools that offer strong elementary programs and want to serve younger students should have access to public pre-K funding, just as other providers do.

### Approach and Key Questions

Quality and educational effectiveness are crucial for improving student outcomes in both pre-K and charter schools. But it is not our aim to determine whether states have high-quality pre-K programs, nor to evaluate the quality of pre-K programs currently operated by charter schools. Instead, we focus on the more fundamental yet largely unexplored question of whether or not charter schools are able to offer state-funded pre-K.

Specifically, we address the following three research questions:

- Can charter schools offer state-funded pre-K?
- How many charter schools serve preschoolers?
- What types of barriers prevent charter schools from offering pre-K?

#### EVIDENCE ON PRE-K

Research shows that high-quality pre-K programs can significantly boost young children's learning—enabling them to enter school prepared to succeed, producing learning gains that last well into the elementary grades, and potentially improving long-term life outcomes.

The results of small, high-quality pre-K programs are widely known. Children in poverty who participated in the Perry Preschool Program—a high-quality pre-K program conducted in Ypsilanti, Michigan, in the 1960s—had increased IQs at age five, higher school achievement in high school, and a greater likelihood of graduating high school than students in a control group. As adults, Perry Preschool students were more likely to be employed, had higher earnings, and were less likely to be arrested or on public assistance than control group peers.<sup>1</sup> The Chicago Parent Child Center project, which provided high-quality pre-K and early elementary supports to low-income children in the Chicago Public Schools, produced similar long-term benefits.<sup>2</sup>

More recently, high-quality publicly funded programs are demonstrating that it's possible to replicate these results at scale. Children participating in New Jersey's Abbott pre-K program—a high-quality, full-day, state-funded universal pre-K program offered to three- and four-year-olds in thirty-one high-poverty districts—made gains in reading and math that improved school readiness relative to their peers who did not attend pre-K. What's more, these gains lasted at least through third grade.<sup>3</sup> Similarly, children participating in the Boston Preschool Program, which offers pre-K in 85 percent of Boston elementary schools, made gains in early reading, math, and social skills at kindergarten entry. These gains eliminated the school readiness gap for poor children in math and narrowed the school readiness gap for black students. Gains persisted through third grade, resulting in higher third-grade test scores for preschool students on the state's Massachusetts Comprehensive Assessment System (MCAS) assessment.<sup>4</sup>

Most research on pre-K programs in the United States focuses on their impact on low-income students, because most publicly funded pre-K programs are intentionally targeted to them. Research on children attending Oklahoma's universally funded pre-K in Tulsa, however, finds that low-income and middle-class children both benefit from pre-K—but that poor children and other at-risk children benefit most.<sup>5</sup>

Pre-K programs that are the most effective at reducing or eliminating school readiness gaps and improving longer-term outcomes for low-income children tend to have some common features: They employ well-prepared teachers with bachelor's degrees and training in how young children learn. They use evidence-based, age-appropriate curricula focused on the skills and knowledge that support school readiness. They operate for at least six hours a day. They provide high-quality, job-embedded professional development and support to teachers. And they regularly collect and use data at the child, classroom, and program levels to inform instruction and support ongoing, continuous improvement. Programs that lack these features, including the federal Head Start program, have not produced sustained learning gains in long-term evaluations, although they yield short-term school readiness benefits for children.<sup>6</sup>

Unfortunately, these features and practices are not found in many publicly funded preschool programs, including many state pre-K programs featured in this report. Charter schools that wish to offer pre-K—funded by the state or through other means—should pay attention to the features of the effective public pre-K programs described above, as well as to a limited number of individual pre-K programs that have narrowed achievement gaps for low-income children. These include AppleTree Early Learning Public Charter School in Washington, D.C.;<sup>7</sup> Acelero Learning, a for-profit Head Start grantee that operates centers in New Jersey, Pennsylvania, Nevada, and Wisconsin;<sup>8</sup> and Educare, a network of twenty birth-to-five schools educating children in poverty.

Ph.D. Paper presented at the Meeting of the Society for Research in Child Development, Tampa, FL, April 26, 2003, [http://www.highscope.org/file/Research/PerryProject/Perry-SRCD\\_2003.pdf](http://www.highscope.org/file/Research/PerryProject/Perry-SRCD_2003.pdf).

2 AJ Reynolds et al., "Long-term Effects of an Early Childhood Intervention on Educational Achievement and Juvenile Arrest: A 15-year Follow-up of Low-income Children in Public Schools," *Journal of the American Medical Association* 285, no. 18 (2001), 2339–2346.

3 W. Steven Barnett et al., "Abbott Preschool Program Longitudinal Effects Study: Fifth Grade Follow-up" (New Brunswick, NJ: National Institute for Early Education Research, March 2013), <http://nieer.org/sites/nieer/files/APPLES%205th%20Grade.pdf>.

4 C. Weiland and H. Yoshikawa, "The Impacts of an Urban Public Prekindergarten Program on Children's Mathematics, Language, Literacy, Executive Function, and Emotional Skills: Evidence from Boston," *Child Development* 84, no. 6 (2013).

5 Timothy Bartik et al., "Earnings Benefits of Tulsa's pre-K Program for Different Income Groups," *Economics of Education Review* 31 (2012), 1143–1161, <http://www.sciencedirect.com/science/article/pii/S0272775712001021>; Carolyn Hill et al., "The Effects of Oklahoma's Pre-Kindergarten Program on 3rd Grade Test Scores," Policy Brief (Washington, D.C.: Georgetown University Center for Research on Children in the U.S., May 2012), <https://georgetown.app.box.com/s/bxeshfm2t2o4w7709vre>.

6 Mike Puma et al., "Executive Summary: Third Grade Follow-up to the Head Start Impact Study Final Report" (Washington, D.C.: Office of Planning, Research and Evaluation, U.S. Department of Health and Human Services, October 2012), [http://www.acf.hhs.gov/sites/default/files/opre/head\\_start\\_executive\\_summary.pdf](http://www.acf.hhs.gov/sites/default/files/opre/head_start_executive_summary.pdf).

7 Craig Ramey and Nancy Crowell, "The AppleTree Approach: A Case Study Using a Longitudinal Population-Referenced Evaluation Framework" (Washington, D.C.: AppleTree Institute for Education Innovation, August 2010), <http://www.appletreeinstitute.org/wp-content/uploads/AppleTree-Approach-Case-Study.pdf>.

8 Steve Barnett and Kwanghee Jung, "Acelero Learning 2011-12 Summary Report" (New Brunswick, NJ: National Institute for Early Education Research, June 2013), <http://www.nieer.org/publications/nieer-working-papers/acelero-2011-12-program-evaluation%E2%80%94summary-report>.

1 Lawrence Schweinhart, "Benefits, Costs, and Explanation of the HighScope Perry Preschool Program,"

This report first provides a national overview of findings to each of these questions (Parts 1–3). To answer them, we analyzed state pre-K and charter statutes, regulations, and agency policies in the thirty-six jurisdictions that had both charter schools and state-funded pre-K programs at the start of the 2014–15 school year.<sup>2</sup> (See Appendix A for complete methods.) Based on these data, we evaluate the degree to which states offer a hospitable climate for charter schools seeking to offer pre-K, then group them into three categories: hospitable, somewhat hospitable, and not hospitable (Part Four). Next, we offer recommendations for state and federal policymakers, as well as those in the broader field with interest in the topic (Part Five). We close with profiles that provide information on how each state addresses the provision of pre-K in its charter schools and how to eliminate the barriers that prevent wider participation (Part Six).

Early childhood education has a long history of allowing diverse providers—including Head Start programs, community-based nonprofit and for-profit child care, private nursery schools, and public schools—to serve children with public funds. We expected that this history of diverse delivery would make it relatively easy for charter schools to serve preschool students and access state pre-K funds.

We were wrong.

### WHAT IS STATE PRE-K?

In this report, we define a “state-funded pre-K program” as any state-funded or state-passed initiative that provides or requires pre-K programming for some or all of the state’s four-year-olds.

This report does not focus on other pre-K options, such as state- or federally funded Head Start, childcare subsidies, or programs funded through Title I or IDEA Part C. We intentionally excluded states that only used state pre-K funds to expand Head Start access, such as Oregon.

#### Definitions:

- Pre-K: The state-funded pre-K program.
- Pre-K students: Children enrolled in a state pre-K program.
- Preschoolers: Children in the age range served by pre-K programs.
- Preschool: A program that serves preschoolers but is not funded by the state pre-K program.

**PART ONE**

# Can Charter Schools Offer State-Funded Pre-K?

The answer to this question obviously depends on the state. Charters cannot offer state-funded pre-K in the thirteen states that lack either charter laws or state pre-K programs.<sup>3</sup> Of the thirty-six jurisdictions that do, nine have statutory or policy barriers that preclude charter schools from offering state-funded pre-K (see Table 1). In eight of these states, provisions in the state charter law (or the state’s interpretation of the law) prevent charter schools from offering state-funded pre-K.

**Table 1. Funding Barriers by the Numbers**

Barriers	# of states
Low pre-K funding	22
Small pre-K program	12
Charters are not permitted to automatically enroll pre-K students into their kindergarten programs	10
Local districts have a monopoly on pre-K funds	9
Charter law, pre-K law, or other state law prohibits charter schools from offering pre-K, either in explicit statutory language or by agency interpretation	9
Funding process privileges existing providers	5
New providers can access funding only when total pre-K funding increases	4
Funding is only available in specific regions	3

In eighteen other states, charter schools are technically permitted to offer state-funded pre-K, but practical barriers—often in the application, approval, or funding processes—limit their ability to do so in practice. (Many of these same barriers also exist in the nine states that currently prohibit charter schools from offering pre-K. As a result, even if those states eliminated prohibitions on charters offering pre-K, charters there would still face practical challenges accessing pre-K funds.)

The most common practical barriers include:

- **Small pre-K programs.** Twelve of the states in our sample have state-funded pre-K programs that serve fewer than 10 percent of their four-year-olds. When pre-K programs are so limited, few providers—whether charter schools or otherwise—are able to access funds.
- **Local district monopolies on pre-K funds.** In nine states, charter schools can access pre-K funding only if their local school district agrees to share it with them. While

**Q+A**

**Which five states** privilege existing pre-K providers over new providers?

- Georgia
- Louisiana
- New Jersey
- North Carolina
- Pennsylvania

## Can Charter Schools Offer State-Funded Pre-K?

most of these states encourage districts to share pre-K funds with other providers, such as local child care centers and private preschools, districts often wield final authority over which providers receive funding—and many choose not to extend pre-K funds to charters.

- **Opportunities to apply for pre-K funding are limited (and biased toward existing providers).** Four states allow new providers to apply for funding only when total pre-K funding increases. Unless that happens, new providers, including charter schools, are prevented from accessing funding. In addition, five states have adopted policies that privilege existing pre-K providers, either by awarding them a preference when granting pre-K funds or slots, or by refusing to consider new providers if the state determines that existing providers already serve most eligible children in the community.
- **Funding is limited to specific regions.** In three states, providers (including charter schools) are only able to access state pre-K funding if they are located in or serve children from specific regions.

Even when charter schools are able to access pre-K funds, some state policies may make it unattractive or infeasible to do so:

- **Low funding levels.** Twenty-two states provide pre-K funding at much lower per-pupil levels than what charters receive for K–12 students, making it financially difficult for charter schools to offer pre-K.
- **Barriers to kindergarten enrollment.** In ten states, charter schools may not enroll pre-K students in their kindergarten programs. Children who complete pre-K at a charter school must go through a lottery to enroll in the charter’s kindergarten program if the school is oversubscribed. This may discourage charter schools from offering pre-K, since there is no guarantee that they’ll be able to continue serving their own pre-K students the following year.

Entrepreneurial charter leaders in a number of places have found ways to overcome barriers to offering pre-K, often by creating separate but affiliated organizations that run preschool programs. Although these strategies allow some charter schools to serve preschoolers, they often create new challenges. (See *What Are Affiliated Pre-K Programs*, page 16 and *Tuition-Based Preschool in Charter Schools*, page 17.)

Part Three provides additional detail on how state charter laws, school finance policies, and state preschool programs can serve as barriers to charter schools that wish to offer pre-K.

## Q+A

Which four states allow new providers to apply for funding only when total pre-K funding increases?

- California
- Delaware
- Illinois
- Kansas



### WHAT ARE AFFILIATED PRE-K PROGRAMS?

In situations where it's essentially impossible for charter schools to offer pre-K directly, some have managed to do so by creating related but separate organizations to operate pre-K programs. These programs are often co-located with the charter school, but they are not considered part of the school itself. We refer to these pre-K programs as "affiliated programs."

There are several reasons why a charter school would opt to operate an affiliated program.

For one thing, some state statutes or regulations present barriers to charter schools offering pre-K as part of the school.

Additionally, in states with limited or no pre-K programs, some charter schools operate an affiliated program that charges tuition as a way to serve preschoolers (see *Tuition-Based Preschool in Charter Schools*).

And some affiliated programs actually precede the charter school, which grew out of another nonprofit that already had a history of offering preschool or child care services.

The "affiliated program" approach is better than nothing—but it also creates its own complications for parents and charter schools.

Students attending an affiliated pre-K program typically cannot automatically enroll in the charter school's kindergarten program. If the latter is full, preschoolers must enter the charter enrollment lottery, and most states do not allow charter schools to grant enrollment preference to students who attended affiliated pre-K programs. Further, the charter school must maintain a separation of finances and governance between pre-K and the rest of the school. This separation has implications for financial management, staff, materials and supplies, and so on.

### Q+A

**In which three states are charter schools only able to access state pre-K funding if they are located in or serve children from specific regions?**

- Indiana
- Minnesota
- Rhode Island

### Where Charters and Pre-K Work Together

In a few states, charter schools have found it relatively easy to offer state-funded pre-K. These include Oklahoma, Texas, Wisconsin, Michigan, and Florida, as well as Washington, D.C.<sup>4</sup> None of these jurisdictions provide the perfect environment for charter schools interested in offering pre-K, but they offer the best *existing* opportunities. In Oklahoma and Washington, D.C., charter schools that are approved by their authorizers to offer pre-K automatically receive state per-pupil funding at the same levels for each eligible, enrolled pre-K student as they do for K–12 students. In Texas and Wisconsin, charter schools that are approved by their authorizers to offer pre-K automatically receive state per-pupil funding, but only at half the level that they receive for K–12 students, because these states fund only half-day pre-K programs.

In Florida, charter schools must obtain pre-K funding through their authorizing districts or regional early learning coalitions, but because the state's pre-K program is universal, many charter schools have been able to access funding. In Michigan, charter schools must apply to their Intermediate School District (a kind of regional district responsible for administering early childhood education, vocational education, and other programs across multiple local districts) to access pre-K funds, but they do so on equal footing with traditional districts and community-based non-school providers. The common thread across these states, however, is that they provide relatively widespread pre-K access, making it easier for charters to access state pre-K funds. The catch is that, with the exception of the District of Columbia, these states achieve widespread pre-K access by providing relatively low levels of pre-K funding (although they still fund pre-K at higher levels than some other states).

### TUITION-BASED PRESCHOOL IN CHARTER SCHOOLS

In some states, charter schools offer preschool programs—either as an affiliated program or as part of the school—that serve students on a tuition basis. In Colorado, for example, thirty charter schools offer preschool, but only a few do so through the state-funded Colorado Preschool Program. The others charge parents tuition to enroll their children in preschool. Similarly, in Delaware, one charter school operates an affiliated preschool program that is funded through student tuition as well as the school's general operating revenues.

It is not uncommon for traditional school districts to operate tuition-based preschool programs. But when charters operate such programs, it creates difficult trade-offs around enrollment, equity, and the best interests of children. Children, parents, and providers want children to be able to remain in the same school where they attended preschool. But policymakers also want to ensure that

more affluent parents cannot buy their way into sought-after charter schools by enrolling children in tuition-based preschool.

Recent non-regulatory guidance for the federal Charter School Program (CSP) seeks to address this issue. It says that charter schools that receive CSP funds and offer tuition-based preschool are not permitted to automatically enroll tuition-paying preschool students into their kindergarten programs. A charter school may, however, elect to hold a kindergarten admissions lottery a year or two in advance of children's entry to kindergarten, and then allow children who win a kindergarten slot in that lottery to enroll in the preschool program. Charter schools that choose this option must allow selected students to defer enrollment into the school until kindergarten (which is offered free of charge) if the parent either cannot or does not want to pay tuition for preschool.

### Q+A

**Which four states** have both charter schools and pre-K but no charter schools that offer pre-K programs?

- Kansas
- Ohio
- Virginia
- Washington

## PART TWO

# How Many Charter Schools Serve Preschoolers?

While thirty-two states have at least one charter school serving preschoolers, states vary widely in the number of them serving pre-K students (largely due to differences in access, funding, and other policies and practices). The figures below reflect the total number of states with charter schools offering pre-K, including both those receiving state pre-K funds and those funded through other means. (See Appendix B for data challenges.) Table 2 includes state-specific data.

Among states with both state-funded pre-K and charter school laws:

- Nineteen have less than 20 percent of elementary charters offering pre-K.
- Twelve have between 20 and 50 percent of elementary charters offering pre-K.
- Just five have more than 50 percent of elementary charter schools offering pre-K.

**Table 2. Number and Percentage of Charter Schools Offering Preschool by State**

State	Pre-K Charters	Elementary Charters	Percentage (%)
Alaska	2	20	10%
Arizona	5	374	1%
Arkansas	2	14	14%
California	239	709	34%
Colorado	38	135	28%
Connecticut	6	12	50%
District of Columbia	58	53	109% <sup>†</sup>
Delaware	1	15	7%
Florida	102	331	31%
Georgia	9	61	15%
Illinois	17	65	26%
Indiana	3	50	6%
Iowa	1	1	100%
Kansas	0	5	0%
Louisiana	34	92	37%
Maine	1	2	50%

## Q+A

**In which two jurisdictions do charters that are approved by their authorizers to offer pre-K automatically receive state per-pupil funding at the same levels for each preschooler as they do for K-12 students?**

- Oklahoma
- Washington, D.C.

## Can Charter Schools Offer State-Funded Pre-K?

State	Pre-K Charters	Elementary Charters	Percentage (%)
Maryland	11	34	32%
Massachusetts	13	38	34%
Michigan	76	250	30%
Minnesota	20	100	20%
Missouri	3	28	11%
Nevada	2	28	7%
New Jersey	7	63	11%
New Mexico	5	36	14%
New York	9	161	6%
North Carolina	5	119	4%
Ohio	0	228	0%
Oklahoma	7	12	58%
Pennsylvania	5	111	5%
Rhode Island	1	12	8%
South Carolina	6	33	18%
Tennessee	9	26	35%
Texas	195	364	54%
Virginia	0	2	0%
Washington	0	1	0%
Wisconsin	73	108	68%

Note: Authors' estimates based on interviews and publicly available state data. See Appendix B for more information on data limitations.

† The number of District of Columbia charter schools offering pre-K is higher than the number of elementary schools because it has several schools that serve pre-K exclusively and do not offer an elementary program, as well as one school that offers both pre-K and adult education but does not serve K-12 students.

### Q+A

**Which nine states** prevent charter schools from enrolling students in pre-K?

- Arizona
- Delaware
- Georgia
- Illinois
- Indiana
- North Carolina
- Ohio
- Pennsylvania
- Washington



## PART THREE

# What Types of Barriers Prevent Charter Schools from Offering Pre-K?

Most barriers to charter schools offering pre-K do not stem from intentional efforts to keep the schools out, but are instead the result of policies enacted in silos. In general, charters' ability to offer state-funded pre-K hinges on the confluence of three types of state policies: charter laws, school finance policies, and preschool program design.

## Barriers in State Charter Laws

**State definitions of “charter school” or “pupil” may bar charter schools from serving preschoolers.** Provisions in eight states' charter laws prevent charter schools from enrolling students in pre-K. In some states, such as Arizona and Delaware, the legislation defines charter schools as serving students from kindergarten through twelfth grade. Ohio's legislation says that charter schools can only admit children between the ages of five and twenty-two. In Illinois, charter law calls students enrolled in a charter school “pupils,” which a separate section of state code equates with “pupils of legal school age and in kindergarten and grades 1 through 12.” The state has concluded that this language means charter schools cannot serve pre-K students. Other states have interpreted the absence of policies explicitly permitting charters to offer pre-K as a prohibition. In Georgia, Indiana, and North Carolina, for example, charter school legislation is silent on the issue of charter schools serving preschoolers, which the states interpret to mean that pre-K “isn't covered” by charter law.

**Charter laws impact whether and how children who attend pre-K operated by a charter school can directly enroll in the school's kindergarten.** In three states (New Jersey, Missouri, and Virginia), charters are permitted to serve preschoolers as students of their school but prohibited from automatically enrolling them into their kindergarten classes. Instead of seamlessly progressing from pre-K to kindergarten within the same school, as students in other grades do, charter pre-K students in these states must enter the school's enrollment process. This means that if the school's kindergarten is full, pre-K students are not guaranteed a spot in the kindergarten class, but most go through an admissions lottery alongside other students who did not attend pre-K at the school.

## Barriers in School Finance Policies

**Prohibitions on charter schools serving pre-K students often stem from the intersection between charter policies and school finance.** Typically, a state's charter law and school funding formula determine how much funding charter schools receive per pupil for K–12 students. State policies that prohibit charters from serving preschoolers — or define a charter school as serving students in grades K–12 — are designed to limit the population of students for whom charters may receive such per-pupil funds. But in practice, some states have extended these policies to prevent charter schools from serving preschool students with *other* funding sources, or from accessing state pre-K funds that flow outside the state school funding formula. In Pennsylvania, for example, a 2011 state supreme court decision that explicitly prohibits charter schools from receiving state

## Q+A

**Which two states** require districts that provide pre-K to all or most four-year olds to transfer per-pupil funds to charters for pre-K students in the same way they do for K–12 charter students?

- Maine
- Massachusetts

formula payments for four-year-old students has been interpreted to also prevent them from applying for competitive state pre-K grants.<sup>5</sup>

On the other hand, Maine and Massachusetts have established unique policies in their charter laws that require districts that provide pre-K to all or most four-year-olds—whether with state or local funds—to transfer per-pupil funds to charters for pre-K students in the same way they do for charter students in grades K–12.

### Barriers in State Preschool Programs

Several features of state preschool policies affect charter schools' ability to offer state-funded pre-K. These include the program's administering agency, its structure, the number of slots it provides, pre-K funding levels, program quality standards and oversight, and whether the program is universal (available to all preschool-age children) or targeted (available to disadvantaged or at-risk children). Let's take each of these in turn.

**Agency jurisdictions.** State preschool programs are administered by a variety of different agencies. Twenty-eight states' pre-K programs are administered by their departments of education, three by health and human service agencies, and seven by other agencies. When pre-K programs are administered by an agency other than the state department of education, program staff may be less familiar with charter schools. As a result, they may design or administer pre-K policies that have negative consequences for charter schools. For example, the Arkansas Department of Human Services requires that all pre-K providers (including charter schools) meet child care licensing requirements. While some of these requirements are necessary to ensure program quality or children's safety, others (e.g., furniture restrictions) have no relationship to quality and place burdensome restrictions on charter schools.

Even in states where the department of education operates the pre-K program, offices responsible for preschool may not coordinate with offices responsible for charter schools, which can create challenges for charter schools that must deal separately with both offices.

**State preschool program structures determine whether and how charters can access their funds.** Most states fund their pre-K programs through one of two processes:

- **Competitive grants or contracts.** Eighteen states use a competitive grant or contract model in which the state awards pre-K funds directly to pre-K providers, including community-based child care providers, school districts, and Head Start agencies.
- **School funding formula.** Eighteen states fund pre-K through state school funding formulae. In these states, pre-K funds flow to local education agencies along with other state funds for K–12 students. Local educational agencies may then use these funds to offer pre-K themselves or to subcontract with other providers. Pre-K formula funds may flow based on actual pre-K enrollment, districtwide population characteristics (e.g., the number of poor children ages 0–5 in the district), or historical funding levels.

Both models can create different barriers or opportunities for charter schools depending on the design of a given state's program.

Most of the states that pose few barriers to charters' ability to offer pre-K—including Texas, Wisconsin, Oklahoma, and the District of Columbia—fund pre-K through state school funding formulae and allow charter schools to include eligible pre-K students

### Q+A

**In which eight states does state formula funding for pre-K flow exclusively to districts—not charters?**

- Alaska
- Colorado\*
- Iowa
- Kansas
- Maryland
- South Carolina\*
- Tennessee\*
- Virginia

*(\*In these states, funding can also flow to a separate entity that serves as the district/LEA for charter schools they authorize.)*

in their enrollment counts for state funding. But not all states that fund pre-K through their school finance formulae offer similar access for charters. In eight states, state formula funding for pre-K flows exclusively to districts, not to charters. Districts in these states may choose to share these funds with charters, but are not required to do so—and relatively few do.

Charters have had less success accessing pre-K funds in states that use a competitive grant or contract model. Many (but not all) competitive pre-K programs are smaller than formula-funded programs, and some allow new providers to apply for funding only when overall funding levels increase or an existing provider loses funding due to poor performance or noncompliance. As a result, charters have had limited opportunities to pursue funding in some states with competitive grant programs. There is no inherent reason, however, that a competitive pre-K program structure should be unfavorable to charter schools—particularly if the program is relatively large and regularly re-competes pre-K grants or contracts. Charter schools have been successful in accessing pre-K contracts in several states, including Arkansas and Georgia. Although Georgia’s and Illinois’s charter laws preclude charter schools from offering pre-K as part of their charters, *charter-affiliated* pre-K programs (see *What Are Affiliated Pre-K Programs?*, page 16) have indeed obtained pre-K contracts in both states.

**Scarcity of seats affects access for new providers.** Most state pre-K programs do not fund enough slots to serve all eligible children. This differs from K–12 education, where all children are entitled (indeed required) to attend school and districts or states are required to serve all of them (aside from homeschooled children). In contrast, the scarcity of pre-K slots and funding creates barriers to entry for new providers. When there are few slots to go around, administering agencies see little need to add new providers and may view them as threats to existing ones. “Money-follows-the-child” models also don’t work as well in a context of scarcity: When there are not enough funds for all eligible children, whom should funds follow? Instead, most states with limited funds allocate them to providers or districts, which then admit eligible children according to program rules. Families seek access from providers rather than carrying a pot of funding with them.

Even in states with widespread pre-K access, the scarcity mindset continues to shape pre-K policies. In New Jersey, a court order requires the state to fund universal pre-K in thirty-one high-poverty school districts. While some charter schools in these districts receive funding to serve pre-K, the state will not approve a charter application that includes pre-K if it determines that enough slots exist in the community to serve all eligible children. Similarly, in Georgia—one of three states with universal pre-K—the state will only approve new providers if it identifies unmet need in the community.

**Funding levels in many states are lower than the cost to deliver pre-K, which creates challenges for both charter schools and other providers.** According to the National Institute of Early Education Research (NIEER), the average spending for state pre-K was \$4,629 per child in 2013 (including local, state, and federal funds).<sup>6</sup> In contrast, researchers from the University of Arkansas estimate that charter schools received an average of \$8,864 (including all federal, state, and local spending) to educate students in 2011.<sup>7</sup> In states with both pre-K and charter schools, state pre-K funding ranges widely from \$1,900 per pupil in Kansas to \$12,972 per pupil in New Jersey (this equates to 49 percent of the funding that charter schools receive for K–12 students in Kansas and 86 percent in New Jersey).

## What Types of Barriers Prevent Charter Schools from Offering Pre-K?

In many states, state pre-K funds are not actually intended to cover the full costs of pre-K. Illinois, for example, provides grants of roughly \$3,000 per child but encourages applicants to combine these grants with other funding sources, such as child care subsidies or Head Start funds. (See *Child Care Subsidies*.) In Maine, pre-K programs are designed to create an incentive for districts to devote their own local or general resources to pre-K, but not to cover the entire cost. Arkansas explicitly requires organizations that receive pre-K funding to demonstrate a match from other sources. All of these funding methods differ significantly from how charter schools receive funding for K–12 students.

### CHILD CARE SUBSIDIES

Child care subsidies are designed to help low-income working parents pay for the costs of child care. These subsidies, which are funded with a combination of federal and state funds, exist in every state.

They offer a potential funding stream for charter schools interested in serving pre-K students, but their design can make it difficult to use them as a pre-K funding mechanism. For these reasons, child care subsidies are not included in the current analysis.

As they are intended primarily to allow low- and moderate-income parents to work (rather than to support children's learning) child care subsidies have different eligibility requirements than pre-K programs, both for children and for providers. Unlike preschool programs, which typically focus on three- and four-year-olds, child care subsidies can be used to pay for day care or after-school care for children

from birth to age twelve. Children are only eligible for subsidies if their parents work at least a minimum number of hours per week and if their family income is below a state-defined threshold. Families receiving child care subsidies must regularly demonstrate that the family meets these eligibility requirements.

Consequently, child care subsidy funding is more volatile for providers (and families) than state-funded pre-K. Providers also receive money based on actual student attendance, meaning that they lose funds if a child loses eligibility or is absent due to illness. Further, charter schools that elect to receive child care subsidies must also meet licensure requirements, which typically include specific requirements for facilities, furnishings, and other inputs. In some states, these input requirements are more detailed than the requirements for public schools offering pre-K.

Many state pre-K programs offer low funding levels for all potential providers, not just for charter schools. But inadequate funding poses a particular barrier for charter schools that wish to offer pre-K. Because they often receive less K–12 funding per pupil than districts do, charters have less leeway to use other funds to make up the difference between state pre-K funds and actual costs.

**Program quality standards can create obstacles.** Even as they provide low per-pupil funding for pre-K, states often impose specific requirements that make it more expensive to operate than K–12 programs. Most state preschool programs have established quality standards for providers, including teacher-credential requirements, maximum class sizes, and required adult-to-child ratios. Some also have extensive requirements related to facilities, materials, parent engagement, classroom environments, curriculum, and assessment, or require that all pre-K providers meet child care licensure standards. These requirements exist for good reason: Many states rely on community-based child care providers to deliver state-funded pre-K, and these standards set a minimum bar to ensure



that they are offering an early childhood education program, rather than just day care. Pre-K quality standards can also help ensure that school districts provide appropriate programming for young children, rather than just pushing down kindergarten content to younger students.

But this approach to quality is very different from that of K–12 education, and in particular from the charter school philosophy of “increased autonomy in return for greater results-based accountability.” Early childhood quality is typically evaluated in terms of a child’s day-to-day experiences, including both inputs (such as teacher qualifications or adult-to-child ratios) and specific practices (such as the quality of adult-to-child interactions) that research shows are associated with improving young children’s learning.<sup>8</sup> In K–12, however, the primary measure of school quality is student academic performance and growth, as generally measured by test results. And while charter schools in many states have increased flexibility to waive the input requirements that apply to district schools, few pre-K programs offer similar waivers.

Charter schools that serve pre-K students should be held to high standards for both the quality of programming they provide and the student outcomes they produce. But some existing pre-K requirements have little direct connection to children’s learning. Arkansas, for example, requires pre-K providers to ensure that classroom tables are at a specific height and prohibits children’s coats from touching. In New Jersey, all pre-K teachers in former Abbott districts must be paid according to the district salary schedule—and this requirement extends to charter pre-K teachers, even though K–12 charter schools have separate salary schedules. These requirements can impose significant burdens on charter schools, infringe on their autonomy and increase their costs. It is likely that these burdens prevent some high-quality charter schools from offering strong pre-K programs.

**Targeted pre-K programs create obstacles for charter schools enrolling students into pre-K.** Most state pre-K programs are targeted to low-income or at-risk students. In fact, twenty-four states in our sample have income or other eligibility criteria for *individual* students. Typically, these criteria limit pre-K enrollment to children in poor or low-income families (definitions of “low-income” vary by state), but some states also extend pre-K eligibility to children with other risk factors, such as English language learners, foster children, or children whose parents are in active military service or veterans. Another eleven states do not have individual eligibility criteria but have established other policies to target pre-K to at-risk or high-need children and communities. Connecticut and Massachusetts, for example, require providers to serve at least a certain percentage of low-income students. New Mexico and New Jersey target pre-K funding to certain high-poverty districts or communities. Only three states (Florida, Georgia, and Oklahoma) have universal pre-K, meaning they serve all students whose parents want to enroll them, regardless of income.<sup>9</sup> (Several other states have programs that are called universal – and aspire to be so – but in fact limit eligibility to low-income students or fund enough seats to serve only a fraction of eligible children and families.)

Targeted preschool programs are designed to ensure that limited public funds go to the children who need them most, and reflect research showing that pre-K has the greatest benefits for low-income children. But charters that want to serve preschoolers find themselves ensnared in state policies that both limit pre-K to low-income students and prohibit charters from establishing admissions criteria. Lawyers for the Chicago Public Schools, for example, have concluded that charter schools cannot automatically enroll

### Q+A

**How many states** have income or other eligibility criteria for individual students relative to pre-K enrollment?

→ Twenty-four

## What Types of Barriers Prevent Charter Schools from Offering Pre-K?

children in state-funded pre-K directly into their kindergarten programs, in part because the income eligibility requirements for pre-K constitute admissions criteria (which are not permitted by Illinois charter law). In Texas, some charter schools use two separate lotteries to enroll low-income preschoolers who are eligible for state funding and non-eligible children whose parents pay tuition.

## PART FOUR

# Which States Offer a Hospitable Climate for Charters Seeking to Offer Pre-K?

In this section, we evaluate whether states adopt an “open-door” policy relative to charter schools that wish to offer pre-K.

We include all thirty-six jurisdictions in the report, excluding those that do not have both a pre-K program and a charter law.<sup>10</sup> Several states have multiple state funding streams or programs for pre-K. (See Appendix A for our rationale in selecting one of them.)

Our hospitality score is based on eight weighted indicators:

- Does the state have a charter law?
- Does the state have a state-funded pre-K program?
- Are there any statutory or regulatory barriers to charter schools offering the program?
- Is the pre-K program small?
- Is pre-K funding low?
- Is the application, approval, or funding process a barrier?
- Is automatic kindergarten enrollment prohibited in legislation or in practice?
- What percentage of elementary charter schools in the state offer preschool?

### Does the state have a charter law? Does the state have a state-funded pre-K program?

These two indicators comprise the baseline requirements for inclusion in the study. (See *What is State Pre-K?*, page 13.)

### Are there any statutory or regulatory barriers to charter schools offering the program?

Statutory or regulatory barriers are the most formidable and difficult to address because of their direct impact on a charter’s ability to offer pre-K.

These are barriers in legislation, regulation, or agency policy—or state interpretation of one or more of those—that prevent charter schools from accessing state pre-K funding. For example:

- **Ohio.** The charter law states that charter schools can only admit students between the ages of five and twenty-two.
- **Pennsylvania.** The charter law is silent on pre-K access; the pre-K law does not include charter schools as eligible providers. The state interprets this absence to mean that charter schools cannot offer pre-K.
- **Indiana.** The pre-K legislation and program materials expressly indicate that charter schools can offer state-funded pre-K, but the charter law is silent on the topic. The state interprets this silence to mean that pre-K is “not covered” by the charter law, and

## Which States Offer a Hospitable Climate for Charters Seeking to Offer Pre-K?

so charter schools cannot offer pre-K as part of their charter agreement; they can only do so through partner or affiliated pre-K programs. (See *What Are Affiliated Pre-K Programs?*, page 16.)

### Is the pre-K program small?

The size of the state pre-K program is an indicator of access: If a program serves fewer students, there are fewer slots to go around, and charter schools have greater difficulty accessing funding. A pre-K program is considered small if it serves less than 10 percent of all four-year-olds in the state.

### Is pre-K funding low?

The amount of state funding per child served determines whether or not it is financially viable for charter schools to offer pre-K programs. Pre-K funding is considered low if charter schools that offer pre-K receive 75 percent or less funding to serve preschoolers than they would receive to educate K–12 students. If the state requires only a half-day program, pre-K funding is considered low if charter schools that offer pre-K receive less than 50 percent of the funding for K–12.

### Is the application, approval, or funding process a barrier?

In several states, application, approval, or funding processes create barriers to charters accessing pre-K funding. Some of these barriers also affect other potential pre-K providers. All of the following issues are considered application, approval, or funding barriers:

- Charter schools must go through the district to access pre-K funding.
- The state only opens pre-K funding to new providers when there is new funding allocated to the program, which does not occur regularly.
- The state prioritizes existing or continuing providers over new providers in making funding decisions.
- Charters can access state pre-K funding, but the process to do so is not formalized or transparent.
- Funding is only accessible to providers in certain communities.
- If awarded through the state's funding formula, charter schools only receive funding for students who live in a small percentage of districts that offer pre-K.
- Charters can only access pre-K dollars if the school funding formula is fully funded.
- Slots are awarded to new providers only if there's unmet need in the region.

### Is automatic kindergarten enrollment prohibited in legislation or in practice?

Offering pre-K is more expensive than offering other grades for several reasons (e.g., lower per-pupil funding, higher student-to-teacher ratios, additional facilities requirements). Charter schools that make the investment in pre-K expect to reap the benefits of it by continuing to serve those students in higher grades. A state is less hospitable if, in either policy or practice, it prohibits charter schools from automatically enrolling their preschoolers from pre-K into kindergarten.



### What percentage of elementary charter schools in the state offer pre-K?

A number of charter schools, despite the substantial barriers in some states, offer pre-K. The higher the percentage of elementary charter schools offering pre-K, the friendlier the state environment. In contrast, some states with relatively few formal barriers have relatively few charter schools that offer pre-K—suggesting there are other barriers unique to those states.

### Scoring Formula

We reward states for having both charter schools and pre-K and for the percentage of charters that offer pre-K services. We penalize states for technical or practical barriers.

The maximum score is fifty points. We weighted each indicator with the following values:

**Table 3. Scoring Formula**

Question	If yes...
Does the state have a charter law?	+40 points for both
Does the state have a state-funded pre-K program?	
Are there any statutory or regulatory barriers to charter schools offering the program?*	-20 points
Is the pre-K program small? (Pre-K program serves less than 10 percent of eligible children.)	-5 points
Is pre-K funding low? (Per-pupil funding that full-day pre-K providers receive is less than 75 percent of the amount charters in the state receive to serve K–12 students, or 50 percent if half-day pre-K.)	-5 points
Is automatic kindergarten enrollment prohibited in legislation or in practice?	-5 points
Is the application, approval, or funding process a barrier?*	-5 points
What percentage of elementary charter schools in the state offer pre-K?	+(percentage value × 10) points

\*States receive the same deduction despite the number of barriers.

To arrive at the total score, we summed points and rounded to the nearest whole number. The scores comprise a “hospitality threshold,” which quickly communicates whether a state is hospitable to charter schools seeking to offer pre-K:

- Scores below 30: Not hospitable (red)
- Scores between 30 and 39: Somewhat hospitable (yellow)
- Scores between 40 and 50: Hospitable (green)

Table 4 below offers a scoring sample.

**Table 4. Sample State Hospitality Scoring: Florida**

Florida Voluntary Pre-Kindergarten (VPK)		
Does the state have a charter law?	Yes	+ 40 points
Does the state have a state-funded pre-K program?	Yes	
Are there any statutory or regulatory barriers to charter schools offering the program?	No: There is nothing in legislation that prevents charter schools from offering pre-K, and the state interprets this absence to mean that charter schools can offer pre-K.	0 points
Is the pre-K program small?	No: 78% of four-year-olds are served.	0 points
Is pre-K funding low?	Yes: To offer pre-K, charters receive 28% of K-12 per-pupil funding.	-5 points
Is the application, approval, or funding process a barrier?	Yes: If charters want to apply as public providers, they must go through the school district; if they apply as private providers, they must meet child care licensing standards.	-5 points
Is automatic kindergarten enrollment prohibited in legislation or in practice?	No: Legislation allows charter schools to grant enrollment preference to pre-K students.	0 points
What percentage of elementary charter schools in the state offer pre-K?	31% (.31*10 = 3.1)	3.1 points
Subtotal		33.1 points
<b>Total Score</b>	<b>Somewhat hospitable</b>	<b>33 points</b>

Table 5 below presents the scores and hospitality ratings for each state.

## Which States Offer a Hospitable Climate for Charters Seeking to Offer Pre-K?

**Table 5. Which States Offer a Hospitable Climate for Charters Seeking to Offer Pre-K?**

State	Does the state have both a charter law and pre-K program? <sup>a</sup>	Are there statutory or regulatory barriers to charters accessing state funding for pre-K? <sup>b</sup>	Is the funding level of the state pre-K program a barrier to charter access? <sup>c</sup>	Is the size of the state pre-K program a barrier to charter access? <sup>c</sup>	Is the application, approval, and/or funding process a barrier to charter access? <sup>c</sup>	Is automatic enrollment from pre-K to K prohibited in legislation or practice? <sup>c</sup>	What percentage of charters offer pre-K out of all elementary charters in the state? <sup>d</sup>	Total Score
District of Columbia	40	0	0	0	0	0	100% (10)	<b>50</b>
Oklahoma	40	0	0	0	0	0	58% (5.8)	<b>46</b>
Iowa: SWVPP	40	0	0	0	-5	0	100% (10)	<b>45</b>
Maine: Charter	40	0	0	0	0	0	50% (5)	<b>45</b>
Texas	40	0	0	0	0	0	54% (5.4)	<b>45</b>
Wisconsin	40	0	-5	0	0	0	68% (6.8)	<b>42</b>
Connecticut: Charter	40	0	0	0	-5	0	50% (5)	<b>40</b>
Michigan	40	0	-5	0	0	0	31% (3.1)	<b>38</b>
Arkansas	40	0	-5	0	0	0	14% (1.4)	<b>36</b>
New York: SUFP	40	0	-5	0	0	0	6% (0.6)	<b>36</b>
Kansas: SPP	40	0	0	0	-5	0	0% (0)	<b>35</b>
Louisiana	40	0	-5	0	-5	0	37% (3.7)	<b>34</b>
Florida	40	0	-5	0	-5	0	31% (3.1)	<b>33</b>
Maryland	40	0	-5	0	-5	0	32% (3.2)	<b>33</b>
Massachusetts: Charter	40	0	-5	-5	-5	0	34% (3.4)	<b>33</b>
Tennessee	40	0	-5	0	-5	0	35% (3.5)	<b>33</b>
Colorado	40	0	-5	0	-5	0	19% (1.9)	<b>32</b>
Nevada	40	0	-5	-5	0	0	7% (0.7)	<b>31</b>
New Jersey	40	0	0	0	-5	-5	11% (1.1)	<b>31</b>
New Mexico	40	0	-5	0	-5	0	14% (1.4)	<b>31</b>
Rhode Island	40	0	0	-5	-5	0	8% (0.8)	<b>31</b>
South Carolina: 4K	40	0	-5	0	-5	0	9% (0.9)	<b>31</b>
California: CSPP	40	0	-5	0	-5	0	1% (0.1)	<b>30</b>

## Which States Offer a Hospitable Climate for Charters Seeking to Offer Pre-K?

State	Does the state have both a charter law and pre-K program? <sup>a</sup>	Are there statutory or regulatory barriers to charters accessing state funding for pre-K? <sup>b</sup>	Is the funding level of the state pre-K program a barrier to charter access? <sup>c</sup>	Is the size of the state pre-K program a barrier to charter access? <sup>c</sup>	Is the application, approval, and/or funding process a barrier to charter access? <sup>c</sup>	Is automatic enrollment from pre-K to K prohibited in legislation or practice? <sup>c</sup>	What percentage of charters offer pre-K out of all elementary charters in the state? <sup>d</sup>	Total Score
Minnesota: ELS	40	0	-5	-5	-5	0	20% (2.0)	<b>27</b>
Alaska	40	0	-5	-5	-5	0	10% (1.0)	<b>26</b>
Missouri: HB 1689	40	0	0	-5	-5	-5	10% (1.0)	<b>26</b>
Virginia	40	0	-5	0	-5	-5	0% (0)	<b>25</b>
Georgia	40	-20	-5	0	-5	0	15% (1.5)	<b>11</b>
Arizona	40	-20	0	-5	0	-5	1% (0.1)	<b>10</b>
Washington	40	-20	0	-5	0	-5	0% (0)	<b>10</b>
Illinois	40	-20	-5	0	-5	-5	15% (1.5)	<b>7</b>
Delaware	40	-20	0	-5	-5	-5	7% (0.7)	<b>6</b>
Indiana	40	-20	0	-5	-5	-5	2% (0.2)	<b>5</b>
North Carolina	40	-20	-5	0	-5	-5	4% (0.4)	<b>5</b>
Ohio	40	-20	-5	-5	0	-5	0% (0)	<b>5</b>
Pennsylvania	40	-20	-5	-5	-5	0	5% (0.5)	<b>5</b>

- Hospitable
  - Somewhat hospitable
  - Not hospitable
- a +40 points if yes  
 b -20 points if yes  
 c -5 points if yes  
 d +percentage × 10 points (rounded)

As shown, seven jurisdictions are *hospitable*: Washington, D.C., Oklahoma, Texas, Iowa, Maine, Wisconsin, and Connecticut. Sixteen states are *somewhat hospitable*, among them Michigan, Arkansas, New Mexico, Colorado, and Maryland. Thirteen states are *not hospitable*, including Pennsylvania, Delaware, North Carolina, Ohio, and Indiana. Interestingly, Georgia—which has universal pre-K—received a *not hospitable* evaluation because the state’s charter law contains provisions that the state has interpreted as precluding charter schools from offering pre-K programs. A Georgia charter school can serve pre-K students through an affiliated program, but those children are not considered students of the charter school.

See Part Six for the individual state profiles that explain the scores for each state.

## PART FIVE

# Recommendations

As advocates and policymakers work to expand access to state pre-K programs, they should also consider using this opportunity to change state policies currently preventing charter schools from offering state-funded pre-K. In states that undertake major expansions of pre-K programs—as New York recently did—eliminating barriers to charter pre-K programs is not just a matter of equity for charter schools; it can also help the state increase the supply of operators capable of offering newly funded slots.

Because the types and causes of barriers vary across states, the state profiles that follow this report offer specific recommendations for each state. The following recommendations, however, address barriers that are common across multiple states.

## For State Policymakers

- **Carefully consider how charter, pre-K, and school finance policies interact with one another.** As policymakers enact or expand pre-K programs, they should intentionally incorporate charter schools, as well as district and community-based providers, in the range of allowed pre-K providers. Similarly, as states create or amend their charter school laws, they should explicitly allow for the possibility that charter schools may participate in the state pre-K program or serve preschoolers using other funding sources. States that reform their school funding formulae should ensure that they allow charter schools equitable access to any distributed pre-K funds, as well as to categorical grant programs for early childhood education.
- **Include pre-K in the state definition of what charter schools do.** State policymakers should ensure that statutory definitions of charter schools explicitly include pre-K. If necessary, policymakers can add language in other portions of state law to specify that charters may not include pre-K students in their pupil count for state formula funding.
- **Establish clear policies that allow charter schools operating publicly funded pre-K programs to enroll the children served by those programs directly into their kindergarten classes.** States with charter laws and state-funded pre-K programs should establish clear policies to allow charter schools that serve state-funded pre-K students to transition those students to kindergarten, in the same way that they would transition students between any other grade levels offered by the school. Because charter schools currently offer pre-K through a variety of mechanisms — including tuition-based programs and affiliated programs that are not technically part of the schools — state laws may need to establish different policies for different circumstances in which charter schools may serve pre-K students.
  - » **Charter schools that operate state-funded pre-K programs should be permitted to automatically enroll those students in kindergarten, provided that the schools use a lottery to admit eligible children into pre-K.** Policies that prohibit charters from establishing admissions criteria should explicitly exempt state-mandated income eligibility requirements for pre-K students.

- » **Charter schools that operate state-funded pre-K through affiliated programs (see *What Are Affiliated Pre-K Programs?*, page 16) should be allowed to grant those students an admissions preference for kindergarten enrollment.** Children would still be required to participate in a lottery if demand exceeds slots available, but they would receive a lottery preference, similar to that granted to siblings of current students or other students for whom the school is permitted to offer preference under existing state law.
- » **Charter schools that operate tuition-based pre-K programs should be allowed to automatically enroll tuition-paying pre-K students in kindergarten only if they meet the conditions of the federal Charter Schools Program guidance related to charter schools and pre-K.**<sup>12</sup> This policy should apply to all tuition-based pre-K programs, whether operated as part of a charter school or through an affiliated program. (See *Tuition-Based Preschool in Charter Schools*, page 17.)
- **Ensure that charter schools have equitable access to state pre-K funds.** Charter schools should have the same ability to access state pre-K funds as other providers, including school districts and community-based providers. The precise policy changes necessary to provide equitable access for charter schools will vary depending on the design of the state's pre-K program.
- » **States that use a competitive grant or contract approach to fund pre-K programs should establish regular opportunities for new providers and existing providers to compete for funds based on program quality.** Providers should receive pre-K grants or contracts for a set time period of between three and five years. At the end of the grant period, providers should be required to reapply for funding. Other providers, including charter schools, should be allowed to apply for funding at the same time, and the state should select providers that offer the best proposals. In evaluating existing providers, states should take into account past performance (as demonstrated through compliance with program quality standards), sound fiscal management, quality of adult-child interactions, and—most importantly—evidence of child learning and developmental outcomes.

In evaluating applications from new providers, states should take into account the quality of their proposed pre-K programs, their organizational and staff capacity to operate an early childhood program, their financial viability plans, and their prior track record of success in delivering other early childhood or education services—including the academic results of K–12 schools applying to offer pre-K. This approach would simultaneously enable new providers to access pre-K funds and incentivize all providers to improve program quality due to increased competition for funding.

- » **States that fund pre-K through the state school finance system should provide a pathway for charter schools to access funding that is not dependent on the discretion or good will of local districts.** There are several ways to do this.
  - **Distribute state formula funds for pre-K directly to charter schools, in the same way as the state distributes them to districts.** This approach, used in Wisconsin and Texas, will likely work best in states where charters are their own local educational agencies (LEA) rather than part of the district LEAs. It will also work best in states that have relatively large pre-K programs and distribute state



formula funds for pre-K based on actual enrollment of eligible students, rather than the characteristics of the district population. In states that distribute pre-K funds using the latter approach, the state could create an alternative formula for charter schools based on the enrollment of low-income children in the charters' kindergarten programs. Charter schools would also need approval from their authorizers to add pre-K as a grade before they could receive state formula funds.

- **Provide an alternative pathway for charter schools rejected by the district to access pre-K funds.** In states that distribute formula pre-K funds primarily through districts, charter schools that cannot access pre-K funds from their district should have a means to apply directly to the state. Under New York's Statewide Universal Prekindergarten Program, enacted in 2014, districts are the primary recipient of funds and are encouraged to include community-based programs and charter schools in their applications for state charter funding. If a district refuses to include a community-based provider or charter school in its application, that provider or charter school may apply directly to the state. Other states that distribute pre-K funds primarily to school districts could adopt a similar approach. If a state approves a charter school's application, those funds would come out of the amount that would otherwise go to the district. This approach would create both an alternative path for charter schools to access pre-K funds and an incentive for districts to more equitably share pre-K funds with charter schools.
- **Require districts that offer widespread pre-K programs to transfer funding to charters for each district student enrolling in charter pre-K.** Maine and Massachusetts have adopted policies that require districts that provide "widespread" pre-K access, whether through state or local funding, to transfer pre-K funding to charters when a pre-K student who lives in the district chooses to enroll in a charter school. This approach, which ensures that charter schools have equitable access to local as well as state funding for pre-K, is particularly appropriate for states where pre-K programs are designed to incentivize districts to provide pre-K, but not to fund the full cost of such programs.
- **Collect better data on charter schools that offer pre-K and on charter school participation in pre-K programs.** We were surprised to discover how little state policymakers and charter authorizers knew about the extent to which charter schools in their state were serving pre-K students. Improving state policies related to charter schools and pre-K requires states to gather better information about these matters. At a minimum, states should:
  - » Require state agencies that administer competitive pre-K programs to track charter schools as a distinct type of organization receiving funding.
  - » Require authorizers to collect and report information on pre-K programs offered by charter schools they oversee, including affiliated programs that are not technically part of the charter but operated by a related organization.
- **Increase authorizers' role in overseeing charter pre-K programs.** Authorizers are the entities responsible for granting charters and holding charter schools accountable. But in many states, charter authorizers play little or no role in determining whether or not charters receive pre-K funding or in overseeing the quality of pre-K programs

operated by charter schools (see *The Role of Authorizers in Overseeing Charter Pre-K*). In states where school districts are both the primary authorizers and the primary recipients of pre-K funding, states should require districts to do the following: 1) consider new charters' requests for pre-K funding as part of the charter application process; 2) establish charter amendment processes through which existing charters can apply for pre-K funds; 3) devise clear standards for approving or denying charter requests for pre-K funding; and 4) develop standards and processes for monitoring the quality and outcomes of charter pre-K programs.

States where the state education agency (SEA) is both the primary authorizer and administrator of the pre-K program should do the same. States in which different agencies are responsible for authorizing charter schools and distributing pre-K funds should require the agency that oversees pre-K programs to consult with authorizers in considering pre-K funding requests from existing schools, to notify authorizers when charter schools are awarded or denied pre-K funds, and to work with authorizers to establish joint monitoring and data collection protocols that minimize the need for charter schools to submit duplicative reports. States that have independent statewide charter boards should also consider allocating a proportionate share of pre-K funds to them and allowing them to distribute those funds to charter schools and oversee the quality of recipient charter pre-K programs.

### THE ROLE OF AUTHORIZERS IN OVERSEEING CHARTER PRE-K

Charter school authorizers are entities, defined in state law, that have the authority to grant school charters. Once an authorizer approves a school's charter, it is responsible for ongoing monitoring and oversight of the school, including holding the school accountable for student learning outcomes, compliance with state law and regulations, and fiscal management.

As such, authorizers play a crucial role in shaping both the supply and quality of K–12 charter schools. But their role with regard to charter pre-K programs is often unclear. We found that in many states, charter authorizers do not approve charters' pre-K programs or actively monitor their quality. In some states, the disconnect between charter authorizers and pre-K programs is such that certain authorizers did not even know whether the schools they had chartered were operating pre-K programs.

Why don't authorizers play a more active role in monitoring the quality of charter pre-K programs? Often, the reason is that pre-K is not technically considered a part of the charter school. This is particularly but not exclusively true in states where charters serve preschoolers through an affiliated nonprofit organization (see *What Are Affiliated Pre-K Programs?*, page 16).

In many states, including some that allow charters to directly operate pre-K (such as New York and Michigan), pre-K is viewed as a "program" rather than a grade within the school. As a result, authorizers view monitoring the quality of a charter school's pre-K as the responsibility of the state office or agency that runs the state-funded pre-K program. In Georgia, for example, authorizers discourage charter schools from including pre-K in their charter applications because pre-K programs are approved and funded by the Department of Early Care and Learning (DECAL), rather than through the state school funding formula. In Michigan, charter schools are permitted to operate pre-K programs and receive state pre-K funding, but because pre-K is funded through the state's Great Start School Readiness Program (and not the state's K–12

funding formula), authorizers do not consider charter pre-K to be within their purview.

In most states, charter schools that operate pre-K programs are subject to two different accountability mechanisms—to their authorizer for the performance and results of the K–12 portion of the school, and to the state pre-K program for meeting pre-K quality standards. (As noted in the report, many state pre-K programs have extensive quality and compliance requirements from which charter schools are not exempt.) This dichotomy burdens charter schools with multiple reporting and compliance requirements from different agencies and leads to lack of coordination between regulators. For example, a state pre-K program might approve a charter to offer pre-K without taking into account the authorizer's assessment of the school's financial performance or the quality of its elementary school program.

Even where authorizers have the authority both to approve charters for pre-K funding and to oversee charter pre-K programs—as is the case in Texas, Wisconsin, the District of Columbia, and Connecticut—most have not developed clear frameworks for evaluating applicants' proposed pre-K programs or for monitoring schools' pre-K performance once approved. Instead, most authorizers evaluate charter schools that serve pre-K students using accountability criteria and frameworks that focus on the school's performance in state-tested grades and subjects (typically grades 3–8), essentially ignoring the performance of the charter school's pre-K and early elementary grades.

One interesting exception is the District of Columbia Public Charter School Board (PCSB), which has developed an early childhood version of its Performance Management Framework (PMF) to evaluate the quality of both pre-K and K–2 programs in the schools it oversees. This framework includes observational measures of teaching quality in charter schools' pre-K classrooms, along with standardized assessments of student learning growth in grades K–2. Schools and PCSB publicly report data on children's

learning in pre-K, but due to the variation in early childhood assessments used by charter schools in pre-K and the associated technical challenges in aligning standards across all of them, these data are not used to rate schools' performance. PCSB is currently in the process of integrating these early childhood performance frameworks into a single, campus-level PMF that will reflect how charter schools are serving students across all grade levels served.

As more charter schools begin to offer pre-K, other authorizers may follow PCSB's lead. With the recent expansion of universal full-day pre-K in New York City, for example, more New York charter schools are adding pre-K, and the State University of New York (SUNY)—which authorizes more than 90 percent of New York charter schools—is considering how best to hold these schools accountable. New York illustrates one potential challenge with expanding authorizers' role in monitoring charter pre-K programs, however. The state makes clear that authorizers are responsible for overseeing charter pre-K programs, but also requires an inspectorate-style review of all pre-K providers' compliance with program requirements twice annually. These standards would require SUNY to conduct more monitoring visits in charters that operate pre-K programs than in other schools it oversees. Since SUNY does not currently have the capacity to conduct these specialized reviews, it has contracted with the New York City Department of Education to carry out required pre-K monitoring for the time being. The New York example illustrates the potential

challenge in asking authorizers to oversee charters' compliance with the more prescriptive quality requirements found in many state pre-K programs, as well as the limited capacity (and expertise) that most authorizers have to conduct specialized monitoring of pre-K programs.

Despite these hurdles, separating accountability for charters' pre-K and K–12 programs makes little sense. Ideally, children enrolled in a charter school's pre-K program will go on to enroll in the school's grades K–12 (though, as we discuss, some state policies make that difficult). Both programs contribute to children's eventual school and life outcomes, and as such, charter authorizers should be ultimately responsible for the quality of the schools they authorize, including pre-K programs operated by those schools.

As state pre-K programs grow and more charter schools offer pre-K, policymakers and funders should invest in developing authorizers' capacity to effectively oversee charter pre-K programs, while also carefully evaluating which compliance-based program quality standards should apply to charter schools. In the near term, states should work to increase collaboration and coordination between pre-K programs and charter authorizers. This will minimize duplicative oversight burdens on charters and ensure that children attending charter pre-K and elementary schools have an aligned, high-quality experience in both pre-K and elementary grades.

## For Federal Policymakers

While the primary responsibility for improving policies related to pre-K and charter schools lies with state policymakers, federal policymakers can take steps to encourage improvements in state policies. Specifically, federal policymakers should:

- **Include pre-K in the federal definition of charter schools.** Currently, the Elementary and Secondary Education Act defines a charter school as a school that provides an elementary or secondary program or both. Pre-K and early childhood education are not included in this definition. Federal legislators should change the definition of charter schools in the law to include “a school that offers a program of preschool, elementary school, or secondary education, or any combination thereof.” This terminology would encourage states to amend their definition of charter schools to include pre-K, and

would also ensure that charter schools that start with pre-K are able to access federal Charter School Program (CSP) funds.

- **Revise federal CSP guidance on enrolling students from pre-K into kindergarten to reflect the reality of publicly funded, targeted pre-K programs.** As noted in *Tuition-Based Preschool in Charter Schools* (page 17), the U.S. Department of Education has released guidance on how charter schools can enroll children from a pre-K program operated by a charter school into that school's kindergarten program. This guidance, however, appears to be designed primarily for tuition-based pre-K programs rather than situations in which charter schools offer free pre-K through a state-funded program. The department should develop additional guidance for charter schools that participate in state-funded pre-K programs or offer state-funded pre-K through an affiliated provider. This guidance should reflect similar policies to those described above.
- **Ensure that federal preschool programs provide equitable access to funding for charter schools.** The federal government provides significant funding for early childhood education through a range of programs, including Head Start and the Preschool Development Grants program.
  - » **Preschool Development Grants.** While most federal early childhood funds flow through programs separate from the state pre-K program, the Obama administration has sought to increase federal support for state-funded pre-K; the Preschool Development Grants program, funded in the 2014 appropriations bill, provided funding for states to expand state-funded pre-K programs. If federal policymakers continue to provide funds to support state pre-K programs or enact new programs to expand access, they should ensure that these programs encourage states to include charter schools (as well as district- and community-based providers) in them. Any such program should include charter schools, as well as districts and community-based providers, in its definition of local entities eligible to receive funding.

Yet simply including charter schools in the definition of eligible recipients of funding may not be enough to ensure that they get equitable access to such funding, particularly in states where pre-K funds currently flow primarily through school districts. Federal policymakers should ensure that language regarding the distribution of funds from states to local entities is not written in ways that create other barriers to charters. In addition, state applications for future rounds of Preschool Development Grants or similar programs should require states to describe how they will ensure equitable access for charter schools and community-based programs that meet state requirements for pre-K programs.

- » **Head Start.** Federal policymakers should also take steps to enable more charter schools to compete for Head Start grants that become open to competition. Under the 2007 Head Start reauthorization, grantees that fail to operate a high-quality and comprehensive program are required to compete to retain their grants. While grants have sometimes been transferred to new agencies as a result of this process, few charters have applied for Head Start grants, and none have received a Head Start grant through the designation renewal process. The Department of Health and Human Services should take steps to enable more charter schools to compete for Head Start grants by providing suitable guidance to help them understand and meet Head Start requirements and reviewing the guidance given to peer reviewers to ensure that it does not include any instructions that create potential bias against charters. (See Appendix C for more.)

### For the Broader Field

Funders, researchers, and advocates can also play a role in reducing the barriers that charter schools face in serving pre-K students.

- **Support additional research on charters offering early childhood programs.**

Although charter schools face substantial barriers in accessing state pre-K funds, many of them are serving pre-K students, either as part of the charter school or through an affiliated program, and with both state pre-K funds and other funding streams. Yet despite the increasing number of charter schools that serve preschoolers, relatively little is known about the quality of preschool programs operated by charters, their specific practices in serving pre-K children, or the range of funding streams (besides state pre-K programs) that they access to serve preschool students. Additional research is needed in each of these areas. (See Appendix B.)

- **Build capacity of charter authorizers.** If the number of charter schools serving preschoolers increases, charter authorizers will need to increase their capacity to hold charter schools accountable for the quality and results of their pre-K programs. Most existing charter authorizers do not have practices or policies in place to monitor the quality of pre-K in charter schools they oversee. Building this capacity will require increased capability at the individual authorizer level, as well as the creation of tools and models that many authorizers can use to monitor pre-K in schools they oversee. Philanthropic funders can support investments in capacity building at the authorizer level. They should also fund national organizations or leading authorizers to develop and disseminate tools and models that other authorizers can use to monitor pre-K quality and hold charters accountable for their pre-K programs.



## Conclusion

Over the next twenty-five years, both charter schools and publicly funded pre-K will likely play increasingly significant roles in American education. The combination of high-quality pre-K and effective charters has the potential to produce better results for children—particularly low-income, at-risk children—than either pre-K or charter schools can do alone. To realize this potential, policymakers, charter leaders, and pre-K advocates must recognize the value that charter schools hold in the already diverse landscape of pre-K providers. And policymakers and advocates will need to move beyond making policy in silos and instead consider how pre-K, charter school, and school finance policies work together to expand or limit high-quality learning opportunities for young children.

Of course, creating high-quality pre-K programs is hard work. Not all charter schools want to serve preschool students, or have the capacity and expertise to do so effectively. But right now, barriers to accessing pre-K funding prevent many of them from even trying. This is a huge missed opportunity for both the pre-K and charter movements. It's also one that policymakers have the ability to address.

# Endnotes

- 1 National Alliance for Public Charter Schools, “A Growing Movement: America’s Largest Charter School Communities” (Washington, D.C.: NACPS, December 2, 2014), <http://www.publiccharters.org/publications/enrollment-share-2014/>.
- 2 Alabama enacted a charter school law in spring 2015, after we completed our research for this study. Oregon is excluded because its state-funded pre-K program is a Head Start supplement.
- 3 We excluded the following states since they do not have both a state-funded pre-K program and charter law at the time we collected data: Hawaii, Idaho, Kentucky, Mississippi, Montana, Nebraska, New Hampshire, North Dakota, South Dakota, Utah, Vermont, West Virginia, and Wyoming.
- 4 Washington, D.C., Texas, and Oklahoma had no barriers, at least not those that we chose to include in our analysis. Florida and Michigan do not score well on our evaluation in part because their charters have to go through another entity to operate—but in practice, those entities have been more willing to share funding with charter schools than their same peers in other states.
- 5 Pennsylvania Department of Education, “Statement Regarding the Effect of the Pennsylvania Supreme Court Decision,” January 4, 2012, [http://www.portal.state.pa.us/portal/http://www.portal.state.pa.us;80/portal/server.pt/gateway/PTARGS\\_0\\_123706\\_1246296\\_0\\_0\\_18/CSFunding%20PA%20Supreme%20Court%20K4%20Decision%201-4-12.pdf](http://www.portal.state.pa.us/portal/http://www.portal.state.pa.us;80/portal/server.pt/gateway/PTARGS_0_123706_1246296_0_0_18/CSFunding%20PA%20Supreme%20Court%20K4%20Decision%201-4-12.pdf).
- 6 W. Steven Barnett et al., *The State of Preschool: 2013* (New Brunswick, NJ: National Institute for Early Education Research, 2013), <http://nieer.org/sites/nieer/files/yearbook2013.pdf>.
- 7 Megan Batdorff et al., “Charter School Funding: Inequity Expands” (Fayetteville, AR: School Choice Demonstration Project, April 2014), <http://www.uaedreform.org/wp-content/uploads/charter-funding-inequity-expands.pdf>.
- 8 A. Mashburn et al., “Measures of Classroom Quality in Pre-Kindergarten and Children’s Development of Academic, Language, and Social Skills,” *Child Development* 79 no. 3 (2008), 732–749.
- 9 Georgia’s program is intended to be universal, but in recent years the state has not had sufficient funding to provide pre-K to all eligible children—mostly because of declining lottery revenues, which, at their peak, once funded the program. In the 2012–13 school year, Georgia’s UPK program enrolled just under 60 percent of four-year-olds.
- 10 As indicated, we excluded Alabama and Oregon from our sample—the former due to the newness of its charter law and the latter because the state pre-K program is a Head Start supplement.
- 11 U.S. Department of Education, “Charter Schools Program Nonregulatory Guidance,” <http://www2.ed.gov/programs/charter/nonregulatory-guidance.html>.