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**The Possibilities and Challenges  
of Funding High-Quality Preschool  
through Title I of the  
No Child Left Behind Act**

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**F**inding sufficient funding to make high-quality preschool programs available to all children is a pressing issue for many policymakers. For the last decade, research has consistently demonstrated that high-quality early education programs that are designed to support the full range of children's development can have long-term positive implications on later school success. Longitudinal studies of the low-income children who participated in the Perry Preschool Project; the Abecedarian project; the Chicago Child Parent Centers; and the Cost, Quality and Outcomes study consistently find that children who participated in high-quality preschool programs did better on a range of measures than their peers who did not participate.<sup>1</sup>

Across the country, states and local communities are learning from these studies and are working to improve the school readiness of young children through implementation of preschool programs. In 1980, there were only 10 state programs;<sup>2</sup> now at least 38 states and the District of Columbia have one or more preschool initiatives.<sup>3</sup> By one estimate, these programs serve about 740,000 children, at a cost of over \$2.5 billion in state funds.<sup>4</sup> Most state programs are part-day, part-year and targeted to a limited number of four-year-olds based on family income or other risk factors for school success. In addition, many local communities have contributed resources to state programs or have started their own programs to help children succeed when they enter the K-12 system.

At every level, underfunded schools and communities have driven policymakers to look to a variety of funding streams, including Temporary Assistance for Needy Families, the Child Care and Development Block Grant, Head Start, Even Start, and Title I of the

Elementary and Secondary Education Act (ESEA) to expand the availability and quality of preschool programs for three- and four-year-old children, especially those at risk of school failure.

While much research has examined state spending on preschool programs, little research has examined how other funding streams are used to support preschool. It is clear that the majority of funding programs often looked to for additional support are limited in scope; generally are designed to serve other goals; and have been subject to flat funding or have been cut.<sup>5</sup> In comparison, the No Child Left Behind Act (NCLB), which authorizes Title I of ESEA, has seen some increases in funding and may therefore provide a viable opportunity to expand high-quality preschool programs for at-risk children.

Title I, Part A of ESEA is primarily intended to provide funding for elementary and secondary education. Although there is no specific designated funding source for preschool services within Title I, Part A,<sup>6</sup> these funds may be used for preschool services for at-risk children within Title I-funded schools and school districts, at the discretion of the school or school district. Although states and localities have not spent large amounts of Title I funds on preschool services, because these funds are primarily intended to meet the needs of older children, expenditures for children from birth to age five have been allowable since the law's enactment in 1965.

Among the benefits of using Title I funds for preschool are:

- \* They can reach children who are at risk but are in families with income above the poverty level;
- \* They must be used to provide high-quality programs that meet the Head Start educational standards;
- \* They can be used for comprehensive services that are needed to prepare at-risk children for school success;
- \* They can go beyond school-based programs to serve children in other early childhood settings within the community;
- \* They can be used to screen children to determine whether they are at risk and to make services available; and
- \* They can be used for professional development for teachers working with young children at risk of school failure.

Although Title I funds can be used to support preschool programs at the discretion of local school districts and schools, it is unclear how available these funds will be in future years. NCLB, which reauthorized ESEA in 2001, has placed new accountability requirements and mandates on states and local school districts and created new requirements

for some of the discretionary funds available to schools and school districts. NCLB increased the authorization level for Title I funding and the Administration and Congress have provided new funds—but the level of these funds has not matched the increased authorization levels. (ESEA funding must be appropriated annually, meaning that while the ESEA legislation authorizes a certain funding level, Congressional appropriators actually decide how much funding the program will get, and may set levels equal to, above, or below the level set by the authorizing legislation.) As a result, there may be fewer Title I funds available for “discretionary” purposes, such as funding preschool programs, and more competition for those funds.

This paper examines the availability of Title I funds for preschool programs from both a legal and practical perspective. First, it provides general background on ESEA and the changes that were made to it in the NCLB legislation. Second, it provides data on states’ use of Title I funds for preschool. Third, it examines the U.S. Department of Education’s statutes, regulations, and guidance on the use of Title I funds for preschool and raises some unanswered questions. Finally, it discusses how the implementation of NCLB affects the availability of Title I funding for preschool programs.

Ultimately, we conclude that Title I is a flexible and useful funding source for preschool, serving over 300,000 disadvantaged and at-risk children. However, a lack of data and research at the national and state level complicates our ability to understand the degree to which Title I has been used and the purposes for which it is used. Furthermore, given the evidence that preschool helps prepare children to succeed in school, states and districts could reap long-term benefits from serving younger children with these funds by eventually narrowing the achievement gap between disadvantaged and less disadvantaged students. However, insufficient overall funding for NCLB, coupled with its legislative mandates, could make it more difficult for states to prioritize the use of Title I funds for preschool services in the future.

## Background on Title I of the Elementary and Secondary Education Act

Title I of ESEA was established in 1965 to provide schools that serve disadvantaged children with federal funding to meet these children’s educational needs.

Part A of Title I<sup>7</sup> provides allocations to state education agencies (SEA) who, in turn, distribute funds to local education agencies (LEA)<sup>8</sup> on the basis of a funding formula accounting for the percentage of low-income children, as defined by the state. The LEA then allocates funds to schools based on the percentage of low-income children among all of the students in the school. Since the 1970s, Title I stated that if less than 75 percent of the children in a school are low-income, services must be targeted to low-performing children and those at risk of failing to meet academic standards. If 75 percent or more of the children in the school were low-income, the school could implement schoolwide

reforms, including funding preschool services for the entire school. Changes to that legislation now allow schools to implement schoolwide reforms if 40 percent or more of the children in the school are low-income, making it easier to fund schoolwide initiatives that do not just focus on “at-risk” children. In general, Title I dollars have been used to fund classroom services, teacher training, and, in some cases, supplemental services, including counseling.

In 2002, President Bush signed into law NCLB, which reauthorized ESEA, imposed new requirements related to accountability and assessment, and increased funding *authorization* levels. Under NCLB, student testing is done on an annual basis in all schools in grades 3-8 and once in high school. Each state must demonstrate that, starting in third grade, schools have made “adequate yearly progress” (AYP) towards enabling elementary and secondary school students to meet state-established achievement standards.<sup>9</sup> States set their own definition of AYP within federal guidelines.<sup>10</sup> Further, schools are held accountable for the improvement of subgroups of students, including low-income students, ethnic and racial minorities, English language learners, and children with special needs.

Every school district in the state must identify for school improvement any Title I school that fails to make AYP for two years in a row;<sup>11</sup> each year of subsequent failure leads to more severe corrective actions. A study by the Center on Education Policy (CEP) suggests that the number of schools identified as in need of school improvement is increasing dramatically.<sup>12</sup> CEP also notes that urban and very large school districts have the greatest concentration of schools identified as needing improvement.

Schools that fall under this designation must take a variety of steps that may place a significant burden on the resources at their disposal. During the first and each subsequent year in which a school has been identified as in need of improvement, the LEA must allow a student whose parents so choose to transfer to another public school within the LEA; the school must pay the student’s transportation costs. During the second and each subsequent year of school improvement, the LEA must offer children in that school supplemental educational services, such as after-school tutoring programs, to improve their school performance. Funding for these services comes out of the school’s allocation of Title I funds. In addition, schools and school districts identified as in need of improvement must make no less than 10 percent of their Title I allocation available for professional development activities.

### ***How Can Title I Funds Be Used for Preschool Services and Who Can They Serve?***

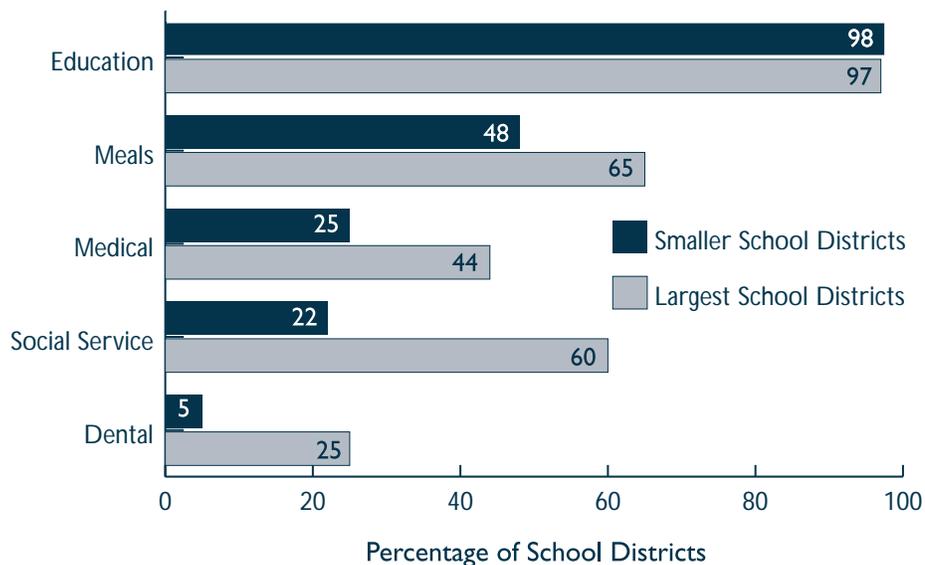
Title I funds are quite flexible and can be used to create a new preschool program, expand an existing one, or improve the quality of an existing preschool program. Specifically, Title I funds can be used to fund the following components of preschool

services: teacher salaries and professional development, counseling services, minor remodeling, and leasing or renting space in privately owned facilities.<sup>13</sup> Funds can be used for comprehensive services, if a comprehensive needs assessment shows that a child needs health, nutrition, or other social services, and funds are not “reasonably available from other public or private sources.”<sup>14</sup> Title I funds can also be used to screen children in order to identify those at risk.<sup>15</sup> According to the General Accounting Office (GAO), while almost all school districts funding preschool services used Title I funds for educational services, districts also used Title I funds for children’s meals, medical, social services, and dental services (see figure 1).<sup>16</sup>

According to regulations, Title I funds can be used in the following ways to serve younger children:<sup>17</sup>

- \* Title I-funded preschool may be provided to any child below the age at which the school district provides elementary education, including children from birth up to the age at school entry.
- \* Title I preschools may be located in public schools or other early childhood settings in the community.<sup>18</sup>
- \* Title I funds can be used by either the LEA or at the school level for preschool or comparable programs, such as Even Start, Head Start, Early Reading First, and other preschool programs.

**Figure 1. Types of Services Provided with Title I Funds by the Largest and Smaller School Districts**



Source: U.S. General Accounting Office. (2000). *Title I Preschool Education: More Children Served, but Gauging Effect on School Readiness Difficult*. Washington, DC: Author.

- \* Title I preschool programs must comply with federal Head Start Education Performance Standards.
- \* Eligibility for preschool in a Title I schoolwide program is open to all children living within the attendance area of that school.
- \* Eligibility for Title I preschool in a targeted-assistance program is open to children considered at risk for meeting a state's achievement standards, as determined by multiple, educationally related, objective criteria established by the district.
- \* In states that include preschool as part of their primary education system, teachers in Title I preschools must meet the "highly qualified"<sup>19</sup> standard as defined in NCLB.
- \* Title I funds may be used for professional development of teachers and paraprofessionals working in Title I preschools, even if Title I does not pay their salaries, if the training is related to the Title I program or the educational needs of Title I children.
- \* Title I preschool programs must include a parental involvement component.
- \* Title I funds may complement or extend a Head Start program if they are used for children who meet the eligibility criteria for Title I.
- \* Title I preschools using an Even Start model must integrate early childhood education, adult literacy or adult basic education, and parenting education into a unified family literacy program and comply with Even Start program requirements.
- \* Title I funds may be used in conjunction with other existing programs, including state-funded preschool programs, community-based child care programs, and the Child Care and Development Block Grant.
- \* LEAs must have a plan for coordinating and integrating Title I with other early childhood educational services, such as Head Start, Even Start, and other preschools, as well as a plan for the transition of children in these programs into elementary school.

### ***Who Decides to Provide Preschool Services?***

The decision to provide preschool services using Title I funds can be made at either the LEA (generally the school district) level or at the school level. GAO estimated that only 17 percent of all school districts that received Title I funds chose to use a portion of these funds to serve preschool children in school year 1999-2000. Most of these school districts used less than 10 percent of their total Title I funds for preschool children,<sup>20</sup> although there are exceptions. In 2002, the Charlotte-Mecklenburg district schools in North

Carolina used \$8.5 million in Title I funds—85 percent of the district’s allocation—for preschool.<sup>21</sup>

**Local Education Agencies.** An LEA can use Title I funds for a preschool program that serves all eligible, at-risk children in the district, in a portion of the district, or in particular Title I schools.<sup>22</sup> Children are eligible for these Title I-funded preschool services if they live in the enrollment area of the preschool program (i.e., the district if it is a district-wide program or the school in which the program is housed), and they are shown to be at risk of not meeting the state’s academic standards. The assessment of whether or not a child is “at risk” must be made based on “multiple, educationally related, objective criteria established by the LEA. . . . With respect to preschool children, this determination must be made on the basis of criteria such as teacher judgment, interviews with parents, and developmentally appropriate measures of child development.”<sup>23</sup> If there is not enough money to serve all children, a child’s family income can be considered as a way of prioritizing eligibility.<sup>24</sup> Children who have participated in Head Start, Even Start, Early Reading First, or a Title I preschool program at any time over the past two years; homeless children; and children in institutions for neglected or delinquent children are also eligible for Title I-funded preschool services.<sup>25</sup>

**School-level Programs.** The decision to fund preschool programs can also be made at the school level through schoolwide reform efforts or targeted-assistance school programs. After ESEA was amended in 1994 to allow more schools to operate schoolwide programs, the number of children receiving Title I-funded preschool services increased significantly.<sup>26</sup>

✱ *Schoolwide reform program.* In a schoolwide program, Title I funds in conjunction with other federal, state, and local funds can be used to upgrade the entire educational program of a school.<sup>27</sup> If a school is eligible for a schoolwide program, the school *may choose* to use Title I funds to establish or enhance preschool programs for children below the age of school entry.<sup>28</sup>

All schoolwide reforms *must* include programs to facilitate the transition of preschool children from early childhood programs to elementary school and coordinate with a wide array of federal, state, and local services, including Head Start, violence prevention, and nutrition programs.<sup>29</sup> Schools must also develop, in consultation with their LEAs, comprehensive plans for reforming instruction in the school. These plans, if appropriate, are developed in coordination with other early childhood programs, including Early Reading First, Even Start, and Head Start.<sup>30</sup>

✱ *Targeted-assistance programs.* Funds can also be used for preschool programs through “targeted assistance.” If a school is eligible to receive Title I funds but chooses not to operate a schoolwide program, the LEA can provide funding as targeted assistance to individual eligible students in these schools.<sup>31</sup>

## *Program Models*

States and local communities can choose a variety of program models when investing in preschool programs with Title I funds. They can supplement state-funded preschool, expand or supplement Head Start and Even Start, or create stand-alone programs. A handful of Title I-funded models are in schoolwide programs, while others are in targeted programs. Some Title I-funded preschool programs are provided in community-based child care settings.<sup>32</sup>

**Supplementing State-Funded Preschool.** In some states, Title I helps supplement the state-funded preschool program.

- \* In Colorado, Title I dollars supplement the Colorado Preschool Program. These funds are not used to support an entire classroom; instead, funds are used to pay for teachers, field trips, materials, and other resources that support the state preschool learning goals.<sup>33</sup> In one district in the state, Mesa 51, Title I funds pay for a portion of the salaries for teachers and assistant teachers, professional development, materials, teacher supplies, and some substitute time for a school-based preschool program that is also supported with state prekindergarten and other funding sources.<sup>34</sup>

**Expanding or Supplementing Head Start.** Title I funds can be used in the following ways to expand or complement the services provided in a Head Start program:

- \* Provide Head Start services to children who are eligible for Title I but are not eligible for Head Start or who cannot be served by Head Start due to lack of capacity;
- \* Provide additional services for Head Start children who are also eligible for Title I, including extending the Head Start program days or hours; provide services during times when Head Start is not operating; or add extra personnel to work with Title I-eligible children; and
- \* Provide educational services for children who are eligible for both Title I and Head Start, while Head Start pays for the supportive services.<sup>35</sup>

**Expanding or Supplementing Even Start.** If a state uses an Even Start model, Title I can pay for the early childhood component of an Even Start program; parent training that helps them assist in their child's education; or initiatives to increase parent involvement, including family literacy.<sup>36</sup>

- \* In Colorado, one program has used Title I funds to expand the number of families served through Even Start.<sup>37</sup>
- \* In Tennessee, the preschool program co-located with the Family Resource Center, which allows families participating in preschool to access comprehensive services and makes preschool easily accessible to Even Start families using the Family Resource Center.<sup>38</sup>

## State and Local Examples of Uses of Title I Funds for Preschool

- \* In Melrose Public Schools in Massachusetts, the school district uses all of its Title I funds for a preschool program. The school district provides a four-day-a-week, two-and-a-half-hour program that is open to at-risk children on a district-wide basis. The program includes:
  - Comprehensive screening for all four-year-old children in the district to identify those at risk and in need of a preschool program;
  - Educational program with a teacher who has a master's degree; and
  - Daily parent involvement.

Until recently, Title I funds supported the entire program; due to reductions in the size of the Melrose Title I grant, the funds now support only the teachers, supplies, and a small amount of professional development.<sup>39</sup>

- \* In Rutherford County, Tennessee, Title I funds are used to serve approximately 76 preschool children in a full school-day program. The program is funded in five classrooms; four are in schoolwide programs and one is in a targeted-assistance program. The District spends approximately \$300,000 of its Title I allocation for the program, which includes teachers with master's degrees and certification in early childhood education. Due to increases in staff development requirements for Title I funds for systems on the state high priority list (the list of schools in the state in need of improvement), resources are not available to expand the program at this time.<sup>40</sup>

- \* In Asheville, North Carolina, the district funds part of two classrooms providing full-day, full-year preschool services to four-year-olds who qualify for targeted assistance. The programs are available from 7:15 to 5:30, with a teacher with a bachelor's degree and birth-K certification in the program for 7.5 hours. The Title I funds pay for 60 percent of the salary of the teacher and the assistant only. The full-day program is supported by the More at Four program (the state pre-kindergarten program), Head Start funds, child care vouchers (as available to eligible children), and local funds.<sup>41</sup>

- \* The Chicago Public School district has made a significant investment in early childhood education through federal and state Title I dollars. The Chicago Child-Parent Centers (CPC) program provides comprehensive educational and family support services and has been hailed as a model early childhood program based on positive results from longitudinal studies of its participants. The CPC program has operated since 1967, making it the second oldest federally funded preschool program in the United States. Currently, the CPC program operates in 24 centers throughout the city and serves approximately 5,600 children. The CPC program serves children living within areas that receive Title I funding and who do not attend any other type of preschool program. Children in the program are screened and determined most at risk for academic success. Title I funds the half-day preschool and half- and full-day kindergarten components of the program. (Several CPC programs also have a primary-grade component).<sup>42</sup>

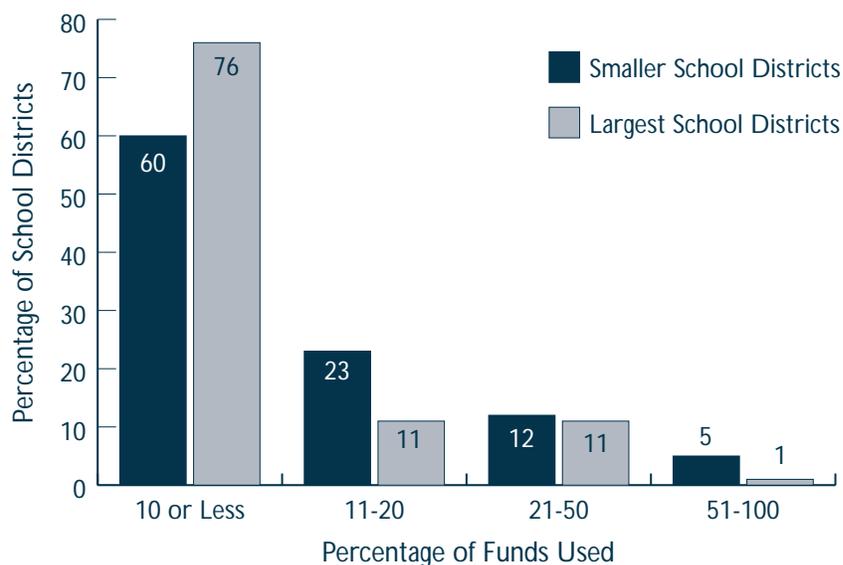
- \* In Colorado, one district uses a portion of the Title I funds that are dedicated to professional development to develop highly qualified paraprofessionals for the district's preschool program.<sup>43</sup>

## To What Extent Are Title I Funds Used for Preschool?

Surprisingly little is known about the total amount of Title I funds spent on preschool services, or what those funds provide to children. GAO found that most children served were between three and five, with less than 1 percent of them below the age of three. Of the school districts that served preschool children with Title I funds, over 90 percent established a minimum eligibility age of three or four. Less than 20 percent of all school districts that receive Title I funds chose to use these funds for preschool; of those, most used less than 10 percent of their total Title I funds for this purpose (see figure 2).<sup>44</sup>

Districts do not report their Title I expenditures on preschool to the U.S. Department of Education, and the National Center for Education Statistics, which provides annual reports on children in preschool, does not report data by funding stream. A number of studies cite Title I as a federal funding source for preschool, or suggest Title I as a potential source, but these reports do not provide data on how many children are served, what services are provided with the funds, or the settings in which the funds are used.<sup>45</sup> For example, a survey in Washington State found that 29 percent of preschools were at least partially funded through Title I.<sup>46</sup> The National Institute for Early Education Research (NIEER) compiles a yearly report on the status of public preschool in the states. The NIEER *Yearbook* notes the difficulty of adequately reporting on Title I funds for preschool because many states do not require tracking of the funds at the local level. While NIEER found that 18 of the 44 state programs surveyed did use Title I funds, few states reported the amount of Title I funds allocated to preschool.<sup>47</sup>

**Figure 2. Estimated Percentage of Title I Funds Used by School Districts to Support Preschool Education Services**



Source: U.S. General Accounting Office. (2000). *Title I Preschool Education: More Children Served, but Gauging Effect on School Readiness Difficult*. Washington, DC: Author.

The limited data that are available appear to show that the amount of Title I funds used for preschool are declining; however, these limited estimates do not provide a good picture of how these funds are used, as they may be from different points in time and, as estimates, may use different methodologies to determine the number of children served.

- \* A 2000 report by GAO reported that in the 1999-2000 school year, local education agencies spent about \$407 million of Title I funds on preschool services for the more than 300,000 children estimated to have been served that year.<sup>48</sup> That is the last year in which expenditure data is available and it predates reauthorization of ESEA as NCLB.<sup>49</sup> The GAO reports that, most often, Title I funds formed only a small part of districts' total preschool budget.<sup>50</sup>
- \* For FY 2002, the Department of Education estimates that about 2-3 percent of Title I funds, or approximately \$200 million, are used to provide preschool. Title I preschool programs are estimated to serve more than 300,000 children.<sup>51</sup>

When analyzing the data on the number of children served with Title I funds, it is important to remember that, according to GAO, “[t]hese services include educational and medical services and social services.... [B]ecause services were funded with both Title I and non-Title I funds, it is difficult to determine the extent to which Title I funds supported specific services.”<sup>52</sup> In other words, while there are estimates of the numbers of children served with these funds, the nature of Title I services and the opportunity these funds provide to supplement other funding sources means that these children may also be reported in other funding streams.

## Outstanding Questions for Implementation of Title I-Funded Preschool Programs

While the U.S. Department of Education has set out non-regulatory guidance to help states and local communities use Title I funds for preschool programs, a number of questions remain about uses of the funds in general and specific questions as states, districts, and schools implement preschool programs with these funds. These include questions such as:

- \* **How many children are receiving preschool services funded with Title I funds? To what degree are Title I funds being used to supplement other programs?** States and localities have found ways to use the funds to serve at-risk children in high-quality programs or in partnership with other programs. It would be useful to gain a better understanding of the uses of these funds across the country, particularly as the provisions of NCLB are implemented and there are increasing pressures on the use of discretionary funds.
- \* **Do teachers in the preschool program need to meet the highly qualified standard?** According to non-regulatory guidance published by the U.S. Department of

Education, the highly qualified teacher requirements “do not apply to early childhood or preschool teachers unless a state includes early childhood or preschool as part of its elementary and secondary school system.”<sup>53</sup> Yet many states are unclear as to what it means to include early childhood or preschool in their elementary school system. For example, there are several states, such as Oklahoma and West Virginia, that provide or are planning to provide universal pre-kindergarten through either public schools or in a mixed-delivery system that includes child care, Head Start, and public schools. Some of these programs may receive Title I funds. It is unclear whether the existence of these universal pre-kindergarten programs means that the preschool programs are part of the elementary school system in these states.

- \* **How can schools and districts be encouraged to include preschool teachers in the professional development funds set-aside as part of the school improvement process in Title I?** It is clear that teachers who are not supported by Title I funds, but who serve at-risk children, or work in a program that is coordinated with Title I funds, may participate in available professional development opportunities. The Department of Education Guidance also suggests that under certain conditions, Title I funds may be used for professional development of non-Title I preschool teachers if the children in the preschool are likely to attend a Title I elementary school. Those teachers working with Title I-eligible children, regardless of site or direct funding source, would benefit from participation in these opportunities, but schools and districts may not be aware that they can form partnerships to support professional development across a range of settings. Schools and districts may want to apply for grants through the Early Childhood Educator Professional Development Program or use local resources to invite child care providers, Head Start teachers, and others in the community to trainings on curriculum, literacy development, and other issues in order to help ensure that all children in the community have well-trained teachers.
- \* **Are there ways to use Title I funds to encourage schools and communities to partner with community-based child care providers to increase access to high-quality preschool programs?** In many communities, preschool-aged children are already participating in early learning programs that could benefit from increased resources designed to improve the quality of the program. Title I funds could be used to provide staff and resources to these programs and to expand access to preschool for at-risk students in areas where the schools do not have the space to provide preschool programs.
- \* **To what extent are school districts using Title I funds for preschool to provide comprehensive services to children?** Many children who are eligible for Title I funds may also be eligible for food stamps, housing assistance, state health insurance, or other family supports. They may benefit from early screening for developmental delays. Access to these support services may be critical to children’s school success, yet many state prekindergarten programs do not have adequate funding to provide them. Partnerships could be created that allow schools and other early childhood settings in the community to use Title I funds to provide these critical services or to

link families to service providers in the community. For example, Head Start programs are required to provide or link families with comprehensive services. Title I funds could be used to supplement the services in these programs in order to help more families.

## Potential Impact of NCLB on the Future Availability of Title I Funding for Early Childhood Programs

The effect of NCLB on the availability of Title I funding for early childhood programs is not yet known. However, there are indications that given the gap between the law's requirements and available funding, adequate funding for discretionary programs could be unlikely in many cases—and that this could have a negative impact on the ability of states and local communities to fund preschool services through Title I. Specifically, NCLB may place two interests in direct competition for funding: the desire of schools and districts to invest in young children early in their learning careers to achieve long-term gains in closing the achievement gap versus the short-term need to raise scores at third grade and the need for immediate interventions in first, second, and third grade.

There has been much debate in the media and policy circles about the merits of NCLB and the adequacy of available funding to meet its ambitious goals. Overall, ESEA funding has increased as a result of NCLB. However, federal funding still makes up only 8.3 percent of state education budgets. This means that the bulk of the costs of NCLB discussed below will need to be absorbed by state and local governments who are facing their most serious budget crises since World War II. Since January 2001, states have had to close over \$200 billion in budget shortfalls.<sup>54</sup> As state legislatures write their budgets for the 2006 fiscal year, many are considering cutting services or raising new revenues in order to bring their budgets into balance. At least 26 states now project shortfalls averaging roughly 7.3 percent to 8.3 percent of their general fund spending. The combined deficit is approximately \$32 billion to \$36 billion.<sup>55</sup> The Center on Education Policy reports that 24 out of 40 states responding to a survey indicated that state fiscal crises were “negatively affecting their implementation of the law [NCLB].”<sup>56</sup> A recent study by the National Education Association reports education cuts in almost every state.<sup>57</sup>

The *full* implementation cost of the NCLB provisions nationally is unknown. Estimates indicate that the costs will likely outweigh the additional available funding. Much of the concern raised over the inadequacy of funding for NCLB has been driven by the law's highly qualified teacher and accountability requirements. A May 2003 study by GAO estimated that the cost of designing and implementing the tests required by NCLB could range from \$1.9 billion to \$5.3 billion over five years;<sup>58</sup> yet the Center on Education Policy notes that these costs do not include increased administrative and training costs associated with the new requirements, nor do they include the cost of actually increasing student achievement.<sup>59</sup> Individual states and school districts have studied the impact of

the changes: in Utah, the superintendent of the state's largest school district estimated it would cost \$182 million over the next 10 years to implement all the provisions of the law, compared to the estimated \$2.2 million per year it receives in federal aid. In Ohio, a study for the state department of education estimated the cost of compliance with the law to be \$149 million per year.<sup>60</sup> The Center on Education Policy cites the results of a 10-state survey that echo these findings: most of the states estimate that their overall state education expenditures would have to increase by over 24 percent to allow them to raise student achievement to proficient levels. An additional eight states estimate the necessary increase in state expenditures to be on average 28 percent, which as a percentage of total education funding from all sources (federal, state, and local) is equivalent to an additional \$130 billion.<sup>61</sup>

Another example of the potential gap between policy and funding is the requirement that districts set aside substantial portions of their Title I allocations. These set-asides include funds for supplemental services for children in schools identified as in need of improvement, transportation for students in these schools who wish to transfer to other schools, and funds for professional development. If a school is found to be in need of improvement, the LEA in which the school is located must set aside an amount equal to 20 percent of its Title I allocation to fund supplemental educational services and transportation for students who wish to transfer to other schools. If demand for these services is less than this amount, the school can spend the remainder on other services or carry over the set-aside amount to the next year.<sup>62</sup> An additional 10 percent, at a minimum, must be set aside for professional development.<sup>63</sup>

Given concerns of overall funding inadequacy, a mandate to spend a specific amount of funds on the specific supplemental services and transportation might reduce the overall amount of discretionary funding available for preschool services. It is possible that given the benefits of providing preschool services to disadvantaged children and the relatively small amount of Title I funds used for preschool, states will cut other areas first. However, it seems likely that the increased costs of NCLB, as well as the uncertainty from year to year about what schools might be in need of improvement, would make many LEAs and schools reluctant to invest in long-term initiatives like preschool for fear that they would need to use the funds for supplemental services and transportation.

Further, when schools fail to make adequate yearly progress over multiple years and are ultimately identified for corrective action, the school may no longer be in control of its own agenda and priorities. Staff may be reconstituted, the school may be redesignated as a charter school, or the state may take control. In each situation, while new leadership may invest in preschool as a means to achieve school improvement, competing pressures to improve the outcomes for children in the school may compel policymakers to redesignate any existing Title I funds for preschool to meet other, more short-term, goals.

## Conclusion

A small number of school districts have used the flexibility within Title I to fund preschool services for at-risk children. Currently, localities are using these funds to supplement other preschool funding sources, including Head Start. Using Title I funds for preschool services may allow states and local communities to make these programs available to more children at risk of school failure, to improve the quality of existing programs, and to make comprehensive services more widely available. Yet states and localities have never spent large amounts of Title I funds on preschool services because they are primarily intended to meet the needs of older children. Those states and local communities that have invested in preschool may find requirements to set aside portions of their Title I funds to help with school improvement puts pressure on their preschool investments. While the impacts of NCLB on the use of Title I for preschool are yet unknown, there is growing apprehension that NCLB might limit the availability of Title I funding for “discretionary” but beneficial programs like preschool.

## Endnotes

- 1 See, for example, W.S. Barnett. (2002). Early Childhood Education. In A. Molnar (Ed.), *School Reform Proposals: The Research Evidence*. Tempe, AZ: Education Studies Policy Laboratory. Available at [www.asu.edu/educ/epsl/EPRU/documents/EPRU%202002-101/Chapter%2001-Barnett-Final.pdf](http://www.asu.edu/educ/epsl/EPRU/documents/EPRU%202002-101/Chapter%2001-Barnett-Final.pdf).
- 2 Gilliam, W.S., & Zigler, E.F. (April 2004). *State Efforts to Evaluate the Effects of Preschool 1977 to 2003*. New Haven, CT: Yale University Child Study Center.
- 3 Barnett, W.S., Hustedt, J.T., Robin, K.B., & Schulman, K.L. (2004). *The State of Preschool: 2004 State Preschool Yearbook*. New Brunswick, NJ: National Institute for Early Education Research.
- 4 Barnett et al., 2004.
- 5 For a more detailed discussion of this point, see Greenberg, M. (forthcoming). *Less Than Meets the Eye: Are There Untapped Federal Funds to Expand Access to High-Quality Pre-kindergarten Programs?* Washington, DC: Center for Law and Social Policy.
- 6 The Early Reading First program also funds early childhood education, providing competitive grants to promote literacy for children under the age of six, but these funds are separately designated within ESEA. These funds are not used to create programs, just to support existing ones. Even Start is a family literacy program that is also separately funded within ESEA and supports programming for families with young children.
- 7 Throughout this paper, Title I-A will be referred to as “Title I.”
- 8 According to ESEA § 9101(26)(a), “the term ‘local educational agency’ means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary schools or secondary schools in a city, county, township, school district, or other political subdivision of a State, or of or for a combination of school districts or counties that is recognized in a State as an administrative agency for its public elementary schools or secondary schools.”
- 9 Student achievement is measured in several areas, including scores on assessments, attendance rates, retention rates and “changes in the percentages of students completing gifted and talented, advanced placement and college preparatory courses.” ESEA § 1111(b)(2)(C). There are no requirements to assess children before third grade.
- 10 ESEA § 1111(b)(2)(B).
- 11 ESEA § 1116(b)(1).
- 12 Center on Education Policy. (2004). *From the Capital to the Classroom: Year Two of the No Child Left Behind Act*. Washington, DC: Author.
- 13 U.S. Department of Education. (Nov. 2000). *Early Childhood Initiative*. Archived information available at [www.ed.gov/inits/americanreads/nupreschool.ppt](http://www.ed.gov/inits/americanreads/nupreschool.ppt).
- 14 U.S. Department of Education. (March 4, 2004). *Serving Preschool Children Under Title I*. Non-Regulatory Guidance. Washington, DC: Author. Although the comprehensive services language in the statute and the policy guidance only reference targeted-assistance schools, a Department of Education official indicated in 2004 that Title I funds can be used to provide comprehensive services to all Title I-funded preschool children.
- 15 U.S. Department of Education, 2004.
- 16 U.S. General Accounting Office. (2000). *Title I Preschool Education: More Children Served, but Gauging Effect on School Readiness Difficult*. Washington, DC: Author.
- 17 U.S. Department of Education, 2004.
- 18 If the district or school does not have its own facilities to provide these services, guidance from the U.S. Department of Education states that districts should work with existing child care or other early education programs to provide Title I services and should ensure that the services are provided in a setting “of sufficient quality to facilitate effective program implementation.” U.S. Department of Education, March 4, 2004.

- 19 According to the Education Commission of the States, "After the first day of the 2002-03 school year, all *newly* hired K-12 teachers in programs supported with Title I funds were required to be "highly qualified" according to the definition set forth in NCLB. Teachers are considered "highly qualified" if they have a bachelor's degree, have full/continuing state certification and have demonstrated subject-matter competence in the areas taught. By the end of the 2005-06 school year, all teachers in core academic subjects must be "highly qualified" in their areas of teaching assignment. Core academic subjects are defined by NCLB to be: English, reading or language arts, mathematics, science, foreign languages, civics and government, economics, arts, history, and geography. While the federal definition of "highly qualified" lays the baseline below which states may not go, states have the option to develop their own definitions. The most flexibility lies in how states require teachers to demonstrate subject-matter competence. At the elementary level, all new teachers must pass a test to demonstrate content knowledge and teaching skills. For teachers who are already in the classroom, however, NCLB gives states the option to develop a "High Objective Uniform State Standard of Evaluation" (HOUSSE) to determine subject-matter competency. Kauerz, K., & McMaken, J. (2004). *No Child Left Behind Policy Brief: Implications for the Early Learning Field*. Denver, CO: Education Commission of the States.
- 20 U.S. General Accounting Office, 2000.
- 21 National School Boards Association. (September 23, 2002). "Charlotte-Mecklenburg Schools." Alexandria, VA: Author. Available at [www.nsba.org/site/page\\_REN4.asp?TRACKID=&DID=369&CID=428](http://www.nsba.org/site/page_REN4.asp?TRACKID=&DID=369&CID=428).
- 22 U.S. Department of Education, 2004.
- 23 U.S. Department of Education, 2004.
- 24 U.S. Department of Education, 2004.
- 25 ESEA § 1115(b)(2); U.S. Department of Education, 2004.
- 26 U.S. General Accounting Office, 2000. Data from the U.S. Department of Education indicates that by 2001-2002, that figure had increased to 350,000 children.
- 27 To participate in a schoolwide program, the school must serve an eligible school attendance area in which not less than 40 percent of the children are from low-income families, or not less than 40 percent of the children enrolled in the school are from such families. ESEA § 1114.
- 28 ESEA § 1114(c).
- 29 ESEA § 1114(b)(1). This list appears to be illustrative and not exhaustive.
- 30 ESEA § 1114(b)(2)(B).
- 31 The eligibility criteria for a targeted-assistance program are that the child lives in the targeted assistance school's attendance area and that the child be determined at risk of failing to meet academic standards. The definition of "at-risk" is the same as the one discussed under the LEA section. ESEA § 1115(a). ESEA § 1115(b)(1).
- 32 Boland, T., Colorado Title I Senior Consultant. Personal communication.
- 33 Boland, T., Colorado Title I Senior Consultant. Personal communication.
- 34 Howard, J., Early Childhood Coordinator, Mesa 51 District, Colorado. Personal communication.
- 35 U.S. Department of Education, 2004.
- 36 Title I funds cannot be used for Even Start administration except when the activity being administered is a Title I activity. U.S. Department of Education, 2004.
- 37 Boland, T., Colorado Title I Senior Consultant. Personal communication.
- 38 McCarger, J., Tennessee Title I Project Director. Personal communication.
- 39 Pearson, I., Title I Program Director of Melrose Early Childhood Center, Melrose Public Schools, Massachusetts. Personal communication.
- 40 Wise, A., Title I Supervisor, Rutherford County Schools, Tennessee. Personal communication.
- 41 Dineen, V., Asheville, North Carolina. Personal communication.

- 42 Downloaded from [www.waisman.wisc.edu/cls/home.htm](http://www.waisman.wisc.edu/cls/home.htm).
- 43 Boland, T., Colorado Title I Senior Consultant. Personal communication.
- 44 U.S. General Accounting Office, 2000.
- 45 See, for example, Children's Defense Fund. (2003). *Key Facts: Essential Information about Child Care, Early Education and School-Age Care, 2003 Edition*. Washington, DC: Author; Mitchell, A.W. (2001). *Education for All Young Children: The Role of States and the Federal Government in Promoting Preschool and Kindergarten*. Working Paper Series. New York: Foundation for Child Development. In a recent report that examined four state prekindergarten programs, the GAO notes that "All four states generally used relatively small amounts of federal funds, such as those from Title I or the Individuals with Disabilities Education Act, to support their prekindergarten programs." U.S. Government Accountability Office (2004). *Prekindergarten: Four Selected States Expanded Access by Relying on Schools and Existing Providers of Early Education and Care to Provide Services*. Washington, DC: Author.
- 46 Speck, E. (2004). *Beyond the Mandate: An Analysis of a Survey of School District Early Learning Programs in Washington State*. Seattle, WA: Economic Opportunity Institute.
- 47 National Institute for Early Education Research, 2004.
- 48 U.S. General Accounting Office, 2000.
- 49 In a 2004 report on preschool, the GAO cites the same expenditure data from the 2000 report, suggesting that there is no new information since that time.
- 50 U.S. General Accounting Office, 2000.
- 51 "Good Start, Grow Smart: The Bush Administration's Early Childhood Initiative." Downloaded from [www.whitehouse.gov/infocus/earlychildhood/earlychildhood.html](http://www.whitehouse.gov/infocus/earlychildhood/earlychildhood.html).
- 52 U.S. General Accounting Office, 2000.
- 53 U.S. Department of Education, 2004.
- 54 National Conference of State Legislatures. (July 23, 2003). *State Budget & Tax Actions 2003. Preliminary Report: Executive Summary*. Denver, CO: Author. Available at [www.ncsl.org](http://www.ncsl.org).
- 55 McNichol, E.C. (2005). *State Fiscal Crisis Lingers: Cuts Still Loom*. Washington, DC: Center on Budget and Policy Priorities.
- 56 Center on Education Policy, 2004.
- 57 National Education Association. (Dec. 2003/Jan. 2004). *Stories from the Field: Cuts Leave More and More Public School Children Behind*. Washington, DC: Author.
- 58 General Accounting Office. (May 2003). *TITLE I Characteristics of Tests Will Influence Expenses; Information Sharing May Help States Realize Efficiencies*. Washington, DC: Author.
- 59 Center on Education Policy, 2004.
- 60 Referenced and downloaded from [www.factcheck.org/article181.html](http://www.factcheck.org/article181.html).
- 61 Center on Education Policy, 2004.
- 62 ESEA § 1116(b)(10).
- 63 A *school* identified for improvement must spend not less than 10 percent of its allocation of Title I Part A funds, for each fiscal year that the school is in improvement, toward providing high-quality professional development to the school's teachers, principal, and, as appropriate, other instructional staff. The school improvement plan must provide an assurance that this expenditure will take place. §1116(b)(3)(iii). When an *LEA* is identified for improvement, it must reserve not less than 10 percent of its Title I Part A funds for high-quality professional development for instructional staff that is specifically designed to improve classroom teaching. The LEA must continue to reserve and use these funds for this purpose during each fiscal year it is identified for improvement. LEAs may include in this 10 percent total the Title I Part A funds that schools within the LEA reserve for professional development when they are in school improvement status. However, the LEA may not include in the total any part of the funds designated to help teachers who are not highly qualified become highly qualified, as specified in §1119(l) of the ESEA. §1116(c)(7)(A)(iii).



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