



## **Early Childhood Education Scholarships Implementation Plan**

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**Fiscal Year 2012**

**Report**

**To the**

**Legislature**

**As required by**

**Minnesota Session Laws 2011**

**1<sup>st</sup> Special Session, Chapter 11, Article 7, Sec. 2, Subd. 8**

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## **Cost of Report Preparation**

The total cost for the Minnesota Department of Education (MDE) to prepare this report was approximately \$ 2,208.75. Most of these costs involved staff time in analyzing data from surveys and preparing the written report. Incidental costs include paper, copying, and other office supplies.

Estimated costs are provided in accordance with Minnesota Statutes 2011, section 3.197, which requires that at the beginning of a report to the Legislature, the cost of preparing the report must be provided.

## Introduction

Laws of Minnesota 2011, 1st Special Session, chapter 11, article 7, section 2, created Early Childhood Education Scholarships (ECES) as grants toward public or private early childhood preschool programs for children ages 3 to 5. (See Appendix A for statute). The statute targets ECES to low-income families with preschool-aged children. There are currently 42,910<sup>1</sup> children between ages 3 to 5 living in families with low income in Minnesota. The scholarships will reach approximately 2 percent of eligible children. Eligible families may use the scholarship to access an early childhood program for their child. There will be 920 Scholarships available this year, and 460 each year thereafter based on the current statute's funding level.

A similar program, Prekindergarten Exploratory Projects (Laws of Minnesota 2007, Chapter 147, Sec. 6), also known as Pre-Kindergarten Allowances, was piloted during fiscal years 2008 and 2009 as a joint project between the Minnesota Department of Education and the Minnesota Department of Human Services. This implementation plan for Early Childhood Education Scholarships is based on the Pre-Kindergarten Allowances project and incorporates lessons learned from the evaluation conducted by SRI International.<sup>2</sup>

Like these ECES, the Pre-Kindergarten Allowances were used to increase low-income families' access to high-quality early care and education settings. During this pilot, over 1,100 children in Blue Earth and Nicollet Counties, North Minneapolis, the City of Saint Paul, and Wayzata School District were awarded allowances. The allowances paid for part or all of the cost of the family's chosen program with any additional cost paid by the family and/or other public and private funding sources. Early Childhood Education Scholarships will be used in much the same way based on family need and choice.

## Background

*Minnesota's Kindergarten Readiness Study* continues to find that a significant number of kindergarteners entering Minnesota's schools are not proficient in some or all of the skills needed to be successful learners. Specifically, the study has indicated year after year that only about half of kindergarteners are fully proficient on important foundational skills when entering

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<sup>1</sup> Tabulated by the Minnesota State Demographic Center (January 13, 2012). Integrated Public Use Microdata Series, Census 2000 and American Community Survey 2005-2009.

<sup>2</sup> SRI International. (2009). *Pre-Kindergarten Allowances Project: Final Evaluation Report*. Retrieved December 1, 2011 from <http://www.melf.us/vertical/Sites/%7B3D4B6DDA-94F7-44A4-899D-3267CBEB798B%7D/uploads/%7B29744C8B-4468-442E-A998-B87D3AA84E8A%7D.PDF>

school. The study finds that children in low-income families, the target group for Early Childhood Education Scholarships, are less likely to be prepared for kindergarten. For example, 52.3 percent of kindergartners under 250 percent federal poverty guidelines are fully proficient, compared to 69.2 percent of kindergartners above 251 percent federal poverty guidelines.<sup>3</sup> A 2010 partnership between the Minnesota Department of Education and the University of Minnesota Human Capital Research Collaborative examined the predictive validity between the *Kindergarten Readiness* results and proficiency scores on Minnesota's third grade reading and math tests. This study found that children who met a higher benchmark of proficiency in the first few weeks of kindergarten were more likely to pass the third grade MCA tests.<sup>4</sup> These Minnesota specific findings are consistent with decades of national research indicating that children's earliest skills provide the foundation for and are predictive of their later skills.<sup>5, 6, 7</sup> Importantly, what children know and can do at school entry is shaped by their experiences during early childhood, including the quality of time spent in non-parental care; improving the quality of children's non-parental care can improve children's school readiness.<sup>8,9</sup>

Twenty-six states now use a quality rating and improvement system to support quality experiences for young children and to give information for parents' decision-making.<sup>10</sup>

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<sup>3</sup> Minnesota Department of Education. (2010). *Minnesota School Readiness Study: Developmental Assessment at Kindergarten Entrance*. Retrieved December 1, 2011 from [http://education.state.mn.us/mdeprod/idcplg?IdcService=GET\\_FILE&dDocName=005512&RevisionSelectionMeth od=latestReleased&Rendition=primary](http://education.state.mn.us/mdeprod/idcplg?IdcService=GET_FILE&dDocName=005512&RevisionSelectionMeth od=latestReleased&Rendition=primary)

<sup>4</sup> Reynolds, A.T., et al. (2011). *Assessing the validity of Minnesota school readiness indicators*. Minneapolis, MN: Human Capital Research Collaborative. Retrieved December 1, 2011 from [http://humancapitalrc.org/mn\\_school\\_readiness\\_indicators.pdf](http://humancapitalrc.org/mn_school_readiness_indicators.pdf).

<sup>5</sup> Bryant, D.M., Burchinal, M., Lau, L.B., & Sparling, J.J. (1994). Family and classroom correlates of Head Start children's developmental outcomes. *Early Childhood Research Quarterly*, 9, 289 – 304.

<sup>6</sup> Sroufe, L.A., Coffino, B. & Carlson, E. (2010). Conceptualizing the role of early experience: Lessons from the Minnesota longitudinal study. *Developmental Review*, 30(1), 36-51.

<sup>7</sup> Vellutino, F.R. & Scanlon, D.M. (2002). The case for early intervention. In S. B. Neuman & D. K. Dickinson (Eds.), *Handbook of Early Literacy Research* (pp. 295-321). New York: Guilford Press.

<sup>8</sup> Clark-Stewart, A. & Miner, J. L. (2009). Effects of Child and Day Care. In Haith, M. & Benson, J. (Eds.), *Encyclopedia of Infant and Early Childhood Development*, 268-278. San Diego: Academic Press.

<sup>9</sup> National Institute of Child Health and Human Development (NICHD) Early Child Care Research Network. (2002). Early child care and children's development prior to school entry: Results from the NICHD Study of Early Child Care. *American Education Research Journal*, 39, 133 – 164.

<sup>10</sup> Tout, K., Starr, R., Soli, M., Moodie, S., Boller, G. & Kirby, K. (2010). *Compendium of Quality Rating Systems and Evaluations*. Retrieved December 1, 2011 from <http://www.childcareresearch.org/childcare/resources/18554/pdf>

Minnesota's voluntary *Parent Aware Quality Rating and Improvement System* (Parent Aware) started as a pilot in 2007 in four geographic areas of Minnesota; Saint Paul, North Minneapolis, the Wayzata School District, Blue Earth and Nicollet Counties. In 2009 the pilot expanded to the entire city of Minneapolis. Early care and education programs in the Parent Aware rating system include school-based pre-kindergarten programs, Head Start programs, licensed child care centers, and licensed family child care programs.<sup>11</sup>

Parent Aware is one of the first quality and improvement rating systems (QRIS) in the country that has the stated goal of getting children ready for kindergarten. The quality standards, as well as the curriculum and assessment tools used to rate Parent Aware programs align with the *Minnesota's Early Childhood Indicators of Progress* and with Minnesota's K-12 education standards.<sup>12</sup> Parent Aware was designed as a tool with a focus on supporting parents. An overall goal is to assist parents in selecting high-quality early care and education providers/programs. In addition, programs must monitor/assess children's progress and share these results with parents.

## **Plan for Implementation**

### **Location, eligibility, and application process**

As per the 2011 statute, the Early Childhood Education Scholarships will begin in the 2012-2013 school year. The Scholarships will be distributed on a first-come, first-served basis in areas where a range of Parent Aware rated programs are available.

The scholarships will benefit children and families by covering all or part of the cost of a high-quality early education experience. Families with children, who are 3 to 5 years old and live in areas with Parent Aware-rated programs, may apply for a scholarship of up to \$4,000. Families are eligible if they have an income equal to or less than 47 percent of the state median income in the current calendar year; or can document income eligibility through another public funding process, including the Free and Reduced-Price Lunch Program, National

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<sup>11</sup> Child Trends. (2010) *Evaluation of Parent Aware: Minnesota's Quality Rating and Improvement System Pilot-Year 3 Evaluation Report*. Retrieved December 1, 2011 from <http://www.melf.us/vertical/Sites/%7B3D4B6DDA-94F7-44A4-899D-3267CBEB798B%7D/uploads/%7BB5ADD2AE-D080-4290-A698-A972B0A93B6A%7D.PDF>

<sup>12</sup> Minnesota Department of Education and Minnesota Department of Human Services. (2005). *Early Childhood Indicators of Progress*. Retrieved December 1, 2011 from <https://edocs.dhs.state.mn.us/lfsrver/Legacy/DHS-4576-ENG>

School Lunch Act, United States Code, title 42, section 1751, part 210; Head Start under federal Improving Head Start for School Readiness Act of 2007; Minnesota Family Investment Program under chapter 256J; and child care assistance programs under chapter 119B.

Families with access to Parent Aware-rated programs may complete a simple application and return to the local agency chosen to administer the scholarships for their community. According to the Pre-K Allowance evaluation most parents found the application for the program to be understandable and easy to complete.<sup>13</sup> To verify income eligibility if the family is not currently enrolled in an above mentioned public program, families will complete the Free and Reduced-Price Lunch application or the Child Care Food Program application.

### **Outreach**

Information about the availability of scholarships will be widely distributed through organizations that may include local school districts, child care resource and referral agencies, providers of early care and education, Minnesota Family Investment Program offices, through the Women, Infants and Children (WIC) program, employment service providers, food shelves, clinics, libraries, and other local community agencies that may know qualifying families. These outreach efforts will be a combination of local and statewide, public and private organizations and will be coordinated through the Office of Early Learning Parent Aware team and the private organization Parent Aware for School Readiness (PASR). Once a family is determined eligible through qualifying programs or an application, the local administering entity will work with the family to choose a high-quality three- or four-star quality-rated program.

### **Use and administration**

Scholarships may be used toward any Parent Aware three- or four-star quality-rated program. Three- and four-star quality-rated programs have demonstrated quality in the areas of physical health and well-being, teaching and relationships, assessment of child progress, and teacher training and education. Scholarship funds will go toward the cost of adding program slots, extending a child's time in high-quality programs, and/or to cover parent fees and charges for the child's attendance.

The relationship between the ECES eligibility (demand) and quality program availability (supply) is important because it is the combination of eligibility and access that allows a family to

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<sup>13</sup> SRI International, 2009

actually use an early childhood education scholarship. Over the next four years, the voluntary Parent Aware rating system will be expanding to all of the counties in Minnesota. Currently, only the four named Parent Aware pilot areas have a range of rated programs (e.g., some combination of school-based, Head Start, and/or child care programs). As more programs throughout the state come into the Parent Aware rating system starting in 2012, the Office of Early Learning Parent Aware team will identify new communities in Greater Minnesota that also have a range of rated programs and scholarships will be made available in those areas also. Consideration of programs that participated in the School Readiness Connections pilot in 2007 – 2011 will also be used to identify communities in Greater Minnesota that have some range of quality rated programs.<sup>14</sup> Up to 40 percent of the ECES funds may be used in Greater Minnesota. The implementation of the scholarships will be done in coordination with the Parent Aware expansion and the Race to the Top Scholarships in order to maximize resources to meet the needs of the most families possible with these resources.

Scholarships will be administered by a local community organization under contract with the Minnesota Department of Education, such as a local Child Care Resource and Referral agency or another appropriate local entity. Up to 8 percent of the allocated funding will go toward the administration of the scholarships by the local entities.

Approximately 920 full-year scholarships of \$4,000 each will be awarded in this first year, and 460 each year thereafter based on the current statute. Up to 40 percent of the scholarships will be awarded to selected areas in Greater Minnesota outside of the Parent Aware pilot areas based on family need and number of rated programs. The remainder of the scholarships will be proportionately divided among the Parent Aware pilot areas based on the number of 3 to 5 year-olds who have an income equal to or less than 47 percent of the state median income. See Appendix B for demographic data and rationale. If there is turnover, the remaining scholarship dollars will be awarded to a waiting family in that same region. The administrative entity (TBN) will report allocation and expenditures on a regular basis so that the Minnesota Department of Education can quickly shift resources between locations to meet demand.

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<sup>14</sup> Snow, M. & Spiker, D. (2009). *Evaluation of School Readiness Connections Pilot Project*. Menlo Park, CA: SRI International. Retrieved December 1, 2011 from [http://www.dhs.state.mn.us/main/groups/children/documents/pub/dhs16\\_147885.pdf](http://www.dhs.state.mn.us/main/groups/children/documents/pub/dhs16_147885.pdf)

Appendix A CHAPTER 11--

H.F.No. 26

ARTICLE 7  
EARLY CHILDHOOD EDUCATION

Sec. 2. **APPROPRIATIONS**

Subd. 8. Early childhood education scholarships. For grants to early childhood education scholarships for public or private early childhood preschool programs for children ages 3 to 5:

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2013 (a) All children whose parents or legal

guardians meet the eligibility requirements

of paragraph (b) established by the commissioner are eligible to receive early childhood education scholarships under this section.

(b) A parent or legal guardian is eligible for an early childhood education scholarship if the parent or legal guardian:

(1) has a child three or four years of age on September 1, beginning in calendar year 2012; and

(2)(i) has income equal to or less than 47 percent of the state median income in the current calendar year; or

(ii) can document their child's identification through another public funding eligibility process, including the Free and Reduced Price Lunch Program, National School Lunch Act, United States Code, title 42, section 1751, part 210; Head Start under federal Improving Head Start for School Readiness Act of 2007; Minnesota family investment

program under chapter 256J; and child care assistance programs under chapter 119B.

Each year, if this appropriation is insufficient to provide early childhood education scholarships to all eligible children, the Department of Education shall make scholarships available on a first-come, first-served basis.

The commissioner of education shall submit a written report to the education committees of the legislature by January 15, 2012, describing its plan for implementation of scholarships under this subdivision for the 2012-2013 school year.

Any balance in the first year does not cancel but is available in the second

year. The base for this program is \$2,000,000 each year.

## Appendix B

Initial allocation of scholarship funds based on the number of eligible children in each region

Region	Number of 3 to 5 Year-Olds Below 185% FPL**	Percent of Total/ Percent Allocation	Initial Allocation for 2012-2013	Maximum Funds for Administration (8%)	Number of Full-Year Scholarships*
Minneapolis (City)	6,213	33%	\$1,320,000	\$105,600	304
Saint Paul (City)	3,936	21%	\$840,000	\$67,200	193
Wayzata (School District)	211	1.5%	\$60,000	\$4,800	14
Blue Earth and Nicollet (Counties)	650	4.5%	\$180,000	\$14,400	41
Other selected areas in Greater Minnesota based on family need and number of Parent Aware-rated programs	N/A	40%	\$1,600,000	\$128,000	368
<b>Total</b>	42,910		\$4,000,000	\$320,000	920

\*If there is turnover, the remaining scholarship dollars will be awarded first to waiting families in the same region.

\*\*While not exact, 185 percent of Federal Poverty Level (FPL) is a close proxy for 47 percent of the state median income and therefore was used for the estimates.

Data for Minneapolis, Saint Paul, and Blue Earth and Nicollet counties was provided by the State Demographer's Office. Data for Wayzata School District was provided by Wayzata School District.