Newsletter

State Pre-K: The Good, the Bad, and the Ugly Yet to Come



2024 was a good year for state-funded pre-K.

2025 may be less so, according to the most recent annual <u>State of Preschool</u> report published by The National Institute for Early Education Research (NIEER), which is directed by NEPC Fellow <u>W. Steven Barnett</u> of Rutgers University.

Following steep declines during the pandemic years, enrollment in state-funded preschool reached record highs in 2023-24, in terms of both total numbers and percentages of three-and four-year-olds, according to the report. A total of 1,751,109 children enrolled last year—seven percent more than the year before. That equates to 37 percent of four-year-olds and eight percent of three-year-olds.

Funding also reached record highs. States spent more than \$13.6 billion educating their youngest students, or nearly \$8,000 per child. Year over year, funding increased 17 percent. Total pre-K funding from federal, state, and local sources exceeded \$15.3 billion—another record.

Increases were uneven, however. For example, California and Colorado—both of which are working toward universal access—accounted for 60 percent of the increase in enrollment. These two states, plus Maryland, New Jersey, New Mexico, and Texas, increased preschool spending by more than \$100 million between 2022-23 and 2023-2024. Yet Idaho, Montana,

South Dakota, and Wyoming do not provide any state-funded preschool. Nor does NIERR count Indiana's state-funded preschool offerings—due to onerous parental work and educational requirements. Other states have programs that "serve very few children, spend too little per child, and/or have such low standards for quality that their programs provide little support for the gains in learning and development needed for investments in pre-K to payoff for children and taxpayers," the report states.

While the nation as a whole has recovered from pandemic-era enrollment pre-K declines, "almost half of states with a preschool program (22) enrolled fewer children in fall 2023 than fall 2019 and 14 states served a lower percentage of three- and four-year-olds in fall 2023 than fall 2019," according to NIEER.

The report covering 2025 may look very different. Most states (34) used federal COVID-relief funds (now gone) to pay for pre-K. Further, the Trump administration has <u>proposed eliminating</u> funding for Head Start, a federal preschool funding source that mainly serves low-income families. Although the administration has <u>since withdrawn</u> the proposal, there's no guarantee it won't return. Project 2025—a 2023 Heritage Foundation <u>report</u> that has been <u>incorporated</u> into multiple Trump proposals—calls for <u>eliminating</u> the program.

Additionally, cuts to Medicaid and other federal funding sources in the budget bill <u>passed</u> <u>last month</u> may have <u>downstream effects</u> on preschool, K-12, and postsecondary education. That's because Medicaid and education are typically the two biggest line items in states' budgets. By law, 49 of 50 states must maintain balanced budgets. This means that if a state must make up reductions in federal funding for one major category, it places pressure on other spending categories.

NEPC Resources on Early Childhood Education

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