

**Program Summary
Department of Education
Early Childhood Block Grant**

Program Overview

Administered by the Arizona Department of Education (ADE), the state's Early Childhood Block Grant (ECBG) aims to promote student achievement by providing flexible additional funding for early childhood programs. Block grants are awarded to public school districts and charter schools, also known as Local Educational Agencies (LEAs), based on the number of K-3 pupils in each LEA who were eligible for free lunches during the prior fiscal year under the National School Lunch and Child Nutrition Acts. State ECBG monies may be used to support 3 types of programs:

- Preschool programs for economically disadvantaged children;
- Full-Day Kindergarten programs;
- Programs for all students in kindergarten through Grade 3.

Table 1 demonstrates that LEAs historically have spent over 50% of ECBG monies on preschool, roughly 30% on K-3 programs and the remainder on Full-Day Kindergarten. The portion spent on Full-Day Kindergarten, however, decreased to 5% in FY 2007 (the first year that a new Kindergarten weight was funded through the Basic State Aid program) and the portion spent on preschool programs increased accordingly.

LEAs have considerable discretion on how they use ECBG funds, but must submit an expenditure plan each year to ADE that specifies the amounts they plan to allocate to each of the 3 program areas and the types of costs they plan to cover. A maximum of 5% of ECBG funding, however, may be used for

administrative costs. Historically LEAs have used about 80% of ECBG funding each year for direct instructional costs.

Few restrictions exist in the use of ECBG funding for Full-Day Kindergarten and K-3 programs. ECBG-funded preschool programs, however, are restricted to preschool children who are eligible for free or reduced price lunches under the National School Lunch and Child Nutrition Acts. These children may only receive preschool services from a public, federally funded or private child care provider that is licensed by the Department of Health Services and accredited by a State Board of Education approved organization that provides accreditation for preschool programs, such as the National Association for the Education of Young Children (NAEYC).

Program Funding

The ECBG program receives funding solely from the General Fund. In FY 2008, the program will receive approximately \$19.5 million from the General Fund. Funding for the program has been essentially unchanged since its inception, receiving increases only for statewide adjustments pertaining to ADE's administration of the program. *Table 2* displays historical funding information for the ECBG program, using data from FY 2001 and FY 2005 through FY 2008.

Performance Measures

Table 3 includes the measures ADE uses to assess the performance of the state's ECBG program.

The performance measures in *Table 3* that assess student achievement in Grade 2 and Grade 3 as

Table 1						
Early Childhood Block Grant Expenditure Breakdown						
	<u>FY 2001</u>	<u>% of Grants</u>	<u>FY 2005</u>	<u>% of Grants</u>	<u>FY 2007</u>	<u>% of Grants</u>
Preschool Programs	\$9,828,100	52%	\$11,530,314	58%	\$12,077,496	64%
Kindergarten - Grade 3	\$6,227,400	33%	\$6,245,992	31%	\$5,901,087	31%
All-Day Kindergarten	\$2,963,200	15%	\$2,276,324	11%	\$899,958	5%

Table 2					
Early Childhood Block Grant Funding History					
	<u>FY 2001</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
GF Total	\$19,406,100	\$19,372,700	\$19,429,100	\$19,446,300	\$19,457,100

measured by standardized tests are included in the General Appropriation Act. Though these measures relate to the ECBG program, they are not specific to it and are affected by other academic programs.

Two additional outcome measures should be tracked to more precisely gauge the extent to which the ECBG program achieves its goal of promoting student achievement. First, preschool programs supported by ECBG funds are required to administer the Pre-K Success assessment pre-test at the beginning of the school year and post-test at the end of the year. This assessment measures child outcomes in language, problem solving, and motor skills. It would be useful to track not only the readiness index score, which ADE tracked in years prior to FY 2007, but also the average percentage gain in each outcome category between the pre-test and post-test to capture the value added by the program.

Second, when LEAs apply for supplemental funds for Full-Day Kindergarten and Kindergarten through Grade 3 programs, they must specify goals and objectives for student outcomes that would not be possible without ECBG funds. ECBG program administrators

should track the percentage of schools that achieve all or a percentage of the student outcomes specified in their initial application at the end of the school year in which they receive funds.

It would also be useful to report a quality measure of customer satisfaction with the on-line grants application process. Prior to FY 2007, ADE tracked this measure, which demonstrated a high level of satisfaction with the program in the past.

Lastly, the 2001 Auditor General ECBG performance audit indicated that a large portion of unspent grant monies come from a small portion of LEAs. Unspent money is carried over to the next fiscal year and is therefore not available to fund other early education needs during the current year. To promote the more efficient use of funds, performance measures should be added to track the number of LEAs that have not spent all of their grant money at the end of the school year as well as the total amount of unspent grant money.

<u>Performance Measure</u>	<u>FY 2004</u> <u>Actual</u>	<u>FY 2005</u> <u>Actual</u>	<u>FY 2006</u> <u>Actual</u>	<u>FY 2008</u> <u>Estimate</u>
Percent of students tested who perform at or above the national norm on the norm-referenced test (Grade 2)				
Reading	46	52	47	54
Math	53	52	52	54
Percent of students in Grade 3 meeting or exceeding state academic standards in:				
Reading	71	72	75	76
Writing	80	77	57	76
Math	63	76	78	79