# Background

#### **Preschool for All**

Illinois provides half-day pre-K to three- and four-year-olds through its Preschool for All program. Funding limitations prevent the program from offering access to all eligible children, and programs serving 80 percent or more at-risk students receive priority for funding. Each student is screened for eligibility based on a combination of risk factors, such as disability or developmental delay, homelessness or unstable housing, or history of abuse.

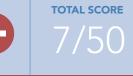
Public school districts, university laboratory schools, area vocational centers, and public or private nonprofit or for-profit entities are eligible to apply for Preschool for All funding.<sup>1</sup> Charter schools can only offer pre-K through an affiliated program.<sup>2</sup> The Illinois State Board of Education (ISBE) administers Preschool for All for providers outside of Chicago. Chicago Public Schools manages the program in the city and reports enrollment and other key data to the state.

#### Charter schools in Illinois

Illinois permits start-up and conversion charter schools. Local school boards are the primary authorizers of charter schools. The Illinois State Charter School Commission may authorize a charter school under any of the following circumstances: 1) on appeal of a charter application that was denied, revoked, or not renewed by a local school board; 2) if the charter proposes to draw students from multiple local school districts; or 3) if a charter was approved by a referendum vote.<sup>3</sup> State law limits the number of charters issued in the state to 120 at any one time (up to seventy-five in Chicago and forty-five anywhere else in the state). Schools that received charters before 2003, however, may open multiple campuses within Chicago under a single charter.

## Process for Accessing Pre-K Funds

First-time potential providers outside of Chicago apply to offer Preschool for All through the ISBE. New provider applications are accepted if the state increases funding for new or expanding programs, or when the state re-competes existing funding. New and existing providers apply for Preschool for All funds through a Request for Proposals (RFP) process. Grants are awarded for five years. Renewal funding for continuing programs is contingent on sufficient funding and compliance with program requirements in the prior year.



Illinois's climate for charter schools to offer pre-K is **not hospitable** 

- There are state statutory or regulatory barriers to charter schools accessing state funding for pre-K.
- Compared to K–12 funding levels, low pre-K program funding makes offering pre-K less attractive to charters.
- The size of the pre-K program does not limit charter access to funding.
- The funding, application, or approval process creates a barrier to charter access.
- Automatic enrollment from charter pre-K to kindergarten is prohibited in legislation or practice.

No new funding has been dedicated to the Preschool for All program since FY09. The state superintendent last released an RFP for Preschool for All grants in 2012—though this RFP was not an expansion, but rather a reallocation of a smaller pool of funds after a cut in state funding. (Existing providers had to compete against new and other existing providers for less funding.) When reallocating funds, the state prioritized communities serving the most at-risk children. In FY17, the state will again re-compete all Preschool for All grants.<sup>4</sup>

New potential providers in Chicago apply for Preschool for All through Chicago Public Schools, rather than through the ISBE. Charter schools in Chicago apply for Preschool for All funding as a community provider rather than a public school, but they receive pre-K funding as a lump sum with their K–12 funding, as traditional public schools in Chicago do, rather than based on a per-child enrollment reimbursement, as community-based providers do (see below for more).

## Barriers

# Are there any statutory or regulatory barriers to charter schools accessing state funding for pre-K?

Yes. Neither the charter school legislation nor the Preschool for All legislation explicitly permit charter schools to offer pre-K. As a result, different offices within ISBE have interpreted the law in different ways. The early childhood division has released a Request for Proposals that allows charter schools to apply for Preschool for All funds,<sup>5</sup> while the legal division has determined that charter schools can only offer pre-K as an affiliated program.<sup>6</sup>

In practice, seventeen charter schools in the state offer pre-K. Most of these charter schools are located in Chicago, where Chicago Public Schools acts as both charter authorizer and Preschool for All grantee.

# Is the funding level of the state pre-K program a barrier to charter access?

Yes. Low pre-K program funding, compared to K–12 funding levels, makes pre-K less attractive to charters. The program is designed to fund two-and-a-half hours per day, but programs are encouraged to braid in other funding sources to reach a full day of programming. Charters offering half-day Preschool for All services receive between 26 percent and 35 percent of their overall per-pupil funding to serve K–12 students.

# Is the size of the state pre-K program a barrier to charter access?

**No**. The size of the pre-K program does not limit charter access to Preschool for All funding. The program serves about 27 percent of all four-year-olds in the state.

## Is the application, approval, and/or funding process a barrier to charter access?

**Yes.** The funding process is a barrier to charter access. There are limited opportunities for new providers to access funds. Historically, the state has allowed new providers to apply for funding only when the state spending on pre-K increases or when the state re-competes existing funding. Illinois only re-competes existing funding every five years. As a result, there has been only one opportunity since 2009 for new providers outside of Chicago—including charter schools—to apply for pre-K funding. The next opportunity will be in FY17.

#### Is automatic enrollment from pre-K to kindergarten prohibited in legislation or practice?

Yes. Charter schools that offer pre-K cannot directly enroll their pre-K students into their kindergarten program. Two issues create barriers: First, based on the definition of "pupil" in state law, Illinois has determined that pre-K operated at a charter school is a separate program, not part of the charter school. Therefore, pre-K students are not considered students of the charter school's general enrollment and may not automatically enroll in kindergarten. Second, because Illinois's pre-K program screens children for eligibility based on income and other risk factors, lawyers for the Chicago Public Schools believe that this violates the state charter school law's prohibition on eligibility requirements for admission to charter schools. As a result, charter schools that have more demand for kindergarten than slots available must require pre-K students to go through a lottery for admission to kindergarten. This creates a disincentive for charters to serve pre-K students.

## Recommendations

To address these barriers to charter access, Illinois should:

• Amend the charter law to allow charter schools to serve pre-K students and consider them students of the school. If the state decides that charter schools should not receive funding for preschoolers through the school funding formula, then it can stipulate that pre-K students may be enrolled in a charter school but not counted as part of its enrollment for state funding purposes. This would remove existing statutory

barriers that allow charters to offer pre-K only as an affiliated program, and would allow pre-K students to automatically enroll in the charter school's kindergarten program.

- Adjust the Preschool for All grant cycle to a staggered fiveyear cycle, so that 20 percent of preschool grants come up for competition every year.
- Revise the state's charter school legislation or regulations to explicitly allow charter schools that serve preschoolers using Preschool for All funds and meeting priority risk criteria to directly enroll their pre-K students into their kindergarten program.
- Increase Preschool for All funding to cover the cost of delivering a high-quality program. Funding for Preschool for All is low, even for a half-day program.
- Increase funding equity for charter schools in grades K–12.

	Preschool for All	Charter schools in Illinois
Year created	Launched in 2006 <sup>7</sup>	Charter law enacted in 1996 <sup>8</sup>
Children in state	342,800 three- and four-year-olds in Illinois <sup>9</sup>	2,616,770 school-age children in Illinois <sup>10</sup>
Children served	75,623 children served 18 percent of three-year-olds 27 percent of four-year-olds <sup>11</sup>	63,175 students served 2.4 percent of school-age population 145 charter schools <sup>12</sup>
Charters offering pre-K	Seventeen charter schools in Illinois offer pre-K. <sup>13</sup>	Sixty-five charter schools in Illinois offer elementary programs. <sup>14</sup>
Funding	Providers receive \$3,000–\$4,000 per pupil to offer Preschool for All. <sup>15</sup>	Charter schools receive \$11,408 to serve K–12 students. <sup>16</sup>

#### Endnotes

1 Illinois State Board of Education (ISBE), "Request for Proposal: Preschool for All Children Ages 3 to 5 Years, 2010," February 2009, http:// www.isbe.net/earlychi/preschool\_rfp\_10.pdf.

2 An affiliated pre-K program is one that a charter school operates through a separate, but affiliated, entity or organization.

3 ISBE, "2011–2012 and 2012–2013 Illinois Charter School Biennial Report," January 2014, http://www.isbe.net/charter/pdf/biennialrpt-1112-1213.pdf, 62.

4 Interview with ISBE representative, March 1, 2015.

5 ISBE, "Request for Proposals"; interview with ISBE representative, March 1, 2015.

6 Interview with ISBE representative, March 1, 2015.

7 W. Steven Barnett et al., "The State of Preschool 2013: State Preschool Yearbook" (New Brunswick, NJ: National Institute for Early Education Research, 2013), http://nieer.org/sites/nieer/files/yearbook2013.pdf.

8 National Alliance for Public Charter Schools (NAPCS), "Measuring Up: Illinois," http://www.publiccharters.org/get-the-facts/law-database/states/IL.

9 State population data calculated using ACS 2012 five-year estimates; U.S. Census Bureau, "American Community Survey," www.census.gov/acs.

10 Ibid., all children in households, three to seventeen years old.

- 11 W. Steven Barnett et al., "The State of Preschool 2013."
- 12 NAPCS, "Measuring Up: Illinois."

13 ISBE, "2011–2012 and 2012–2013 Illinois Charter School Biennial Report."

14 Center for Education Reform, search page, https://www.edreform.com/ in-the-states/know-your-choices/find-a-charter-school/?filter%5Bname%5D =&filter%5Bcity%5D=&filter%5Bstate%5D=IL&filter%5Bgrade%5D=0&filter %5Bgrades\_categories%5D=&filter%5Bspecialty%5D=.

15 ISBE, "Request for Proposals."

16 Jay F. May et al., "Charter School Funding: Inequality Expands," Illinois section (Fayetteville, AR: University of Arkansas Department of Education Reform, School Choice Demonstration Project, April 2014), http://www. uaedreform.org/wp-content/uploads/2014/charter-funding-inequityexpands-il.pdf.