



UPK Consolidation Report

Executive Summary

Report prepared by the New York State Education Department's Office of Early Learning

The 2024/2025 enacted state budget authorized and directed the Commissioner of Education to conduct a study on the consolidation of prekindergarten funding streams and further directed the Commissioner to provide recommendations for legislative action necessary and appropriate to streamline the funding processes and programmatic implementation. ~~§ 17~~ Part A of Chapter 56 of the laws of 2024) addition, the New York State Board of Regents seeks to provide all eligible four-year-olds with full-day prekindergarten services by 2030, and then expand to full-day for all three-year-olds by 2035. This report is intended to build towards a roadmap to achieving this goal by identifying barriers to this work, including New York State's complicated prekindergarten (PreK) funding and related laws. Each of the four dedicated Prekindergarten funding sources has varying requirements for quality standards and different mechanisms for data collection and reporting.

Approximately 75% of eligible four-year-olds are enrolled in the state-funded Universal Prekindergarten (UPK) and Statewide Universal Day-Prekindergarten (SUFDPK) programs in the 2023/2024 school year. For UPK to reach universality, several changes need to be considered within the realms of funding and education law. Although the number of prekindergarten students served has grown over the past five years, districts, providers, and the Department have identified challenges to the program, such as availability of appropriate space, insufficient per pupil reimbursement, complex and duplicative laws that govern the same program, as well as incongruent timelines and



The foundation of current PreK programs in New York was established in 1997 when the legislature enacted statutes to provide quality half-day PreK to four-year-olds across the State. Pursuant to Section §3602 of Education Law, Universal Prekindergarten (UPK) is a state funded program that provides families of three- and four-year-old children the opportunity to voluntarily enroll their children in PreK programs. Funding for the initial investment in UPK was awarded for the 1998-1999 school year to be administered by the Department and allocated to local school districts based on their community needs and number of eligible four-year-old children. These programs are operated by the school district or by other eligible agencies under a contractual agreement with the school district.

Statewide Universal Full Day Prekindergarten (SUFDPK)

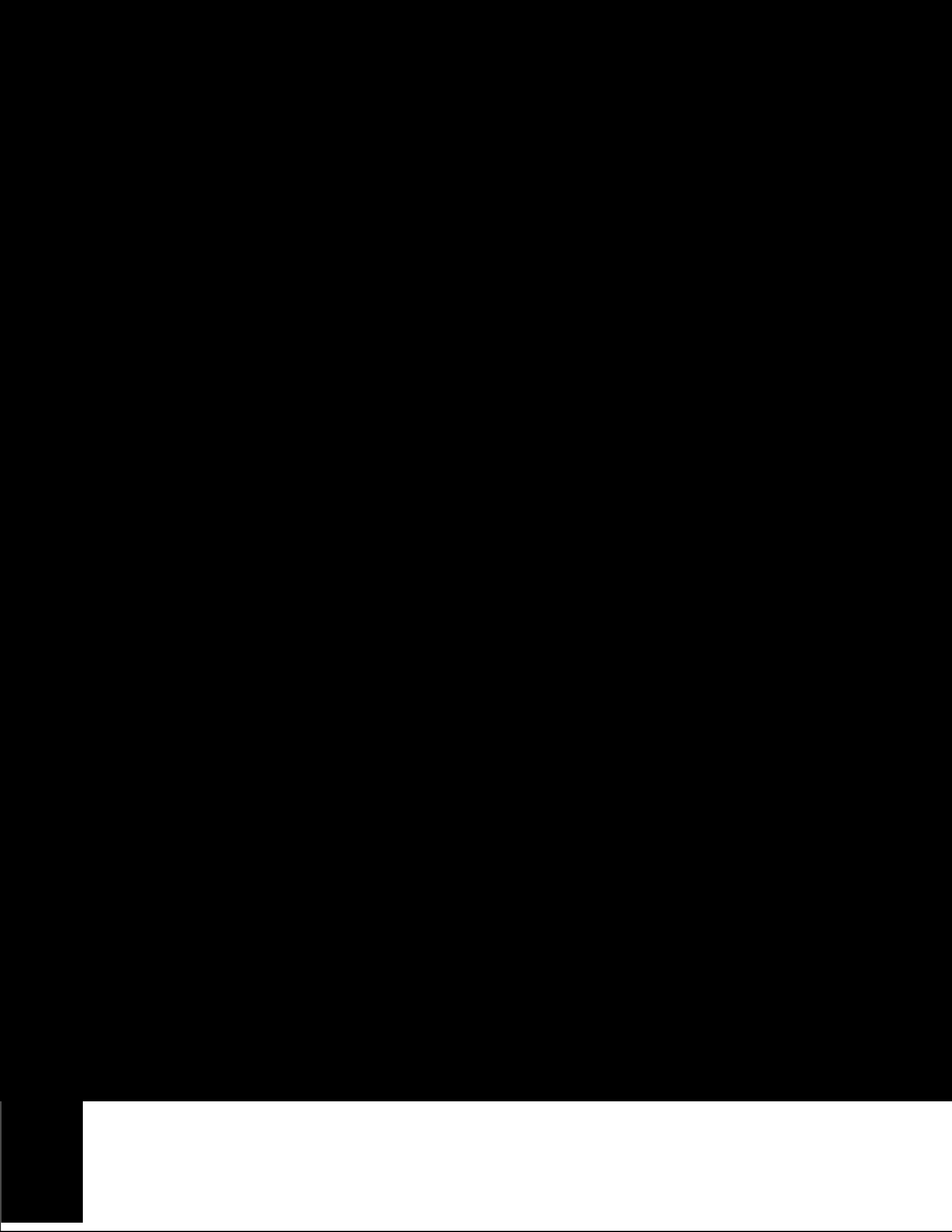
Statewide Universal Full Day Prekindergarten (SUFDPK) programs are funded pursuant to Section §3602e of Education Law. SUFDPK is a competitive grant whereby school districts apply for funding to provide full-day prekindergarten services for four-year-old children. Currently, the State has two separate funding sources for SUFDPK awards received in 2014-15, which includes 53 districts and 11 agencies, and consolidated grant awards received by districts in 2021-2024, which includes 142 districts.

Each of the funding sources (UPK, UPK, and SUFDPK) vary quality standards and different mechanisms for data collection and reporting. This report will expand on the complexities of prekindergarten programs in NY, including some of the successes, barriers, and challenges, as well as the systems in place for ensuring programs are meeting prekindergarten standards. New York State's PreK Timeline can be found in full page version in Appendix B.

For a more expanded summary of the Office of Early Learning's responsibilities for Prekindergarten program qualities and programmatic, fiscal, and administrative oversight, please see Appendix A.

Consolidation of Universal Prekindergarten Funding Summary of Barriers

The New York State (NYS) Enacted Budget for the 2025 fiscal year includes four State Administered PreK funding sources which total \$1.2 billion (See Figure 6 below). NYS prekindergarten funding is a complicated process for both state administrators and those at the local level as oversight and administration are governed by Education Law (§3602-e, §3602-ee).



expenditures was \$33,108 per student in the 2022 school year. Additionally, UPK allocations' rate per pupil are typically less than the childcare market value for serving four year-old students⁴ during a tenmonth school year. While market rates ranged from \$10,120-\$14,200 during the 2022 school year, approximately 86% of current UPK rates are less than \$10,000, as seen in figure 5 below.

UPK Rate Range for 4 Yr.-Old Students	Number of Districts	% of All Districts
\$15,381- \$13,000	8	1.22%
\$12,999- \$10,000	83	12.67%
\$9,999- \$7,000	211	32.21%
\$6,999- \$5,401	186	28.40%
\$5,400- \$3,068	167	25.50%

Figure5: 2021-2022 Per Pupil Rates

The State currently provides \$1.2 billion dollars for prekindergarten spending. However, trends have shown that school districts who receive the lowest UPK per pupil rates access their available UPK funding less often, thus leaving eligible pupils unserved. The graph below illustrates increases in amounts of unspent NY State Administered Prekindergarten funding each school year since 2019-2020.

Data from 2023-2024 is tentative, pending Grants Finance's processing of final expenditure reports.

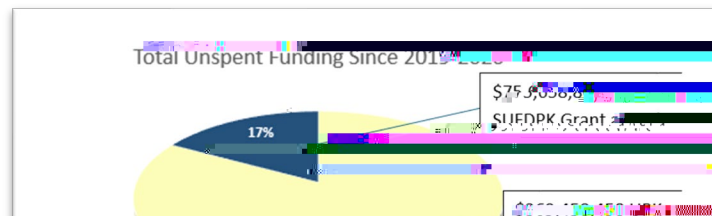


Figure6: Unspent PreK Funding Since 2019-2020
 Of the \$445 million in total unspent NY State Administered Prekindergarten funding since 2019-2020, UPK allocations are the greatest contributor.

Statewide Universal Full Day Prekindergarten (UFDPK) per pupil rates tend to be greater than UPK rates, especially for districts that are not accessing or fully utilizing awarded UPK funds.

make program administration more manageable at the district level, leaving more time for focus on building a quality UPK program. A major factor in consolidating the laws is alignment of the funding payment schedules so the legislature might consider the establishment of one timetable for district payment for both UPK and SUFDPK funding. UPK and SUFDPK funds are provided to districts on differing schedules, making it difficult for districts to plan and pay partners. UPK is paid in two payments during the school year in which services are provided and approximately 70% falls into the first state fiscal year. SUFDPK awards are paid entirely in the second state fiscal year, and 75% of the aid is paid the school year after services are provided. To align the SUFDPK payment schedule to match the current year payments used for UPK, the SUFDPK grant would need a double payment to catch up. For districts with multiple funding streams, the payments coming at separate times makes it difficult to budget. Proper planning and coordination would be necessary for districts to plan their future budgets, how many seats need to be available, and to understand any changes to the laws when they merge.

As part of this consolidation, to align the programmatic requirements, the Department recommends the law maintain the obligation and ability for SED's Office of Early Learning to visit and assist each UPK-funded school district in the state. At present around 200 districts that receives SUFDPK receive these visits. To expand to all districts, we recommend the creation of a statewide rotating schedule for monitoring (every 3 years). With Early Learning's team, that process would allow more programmatic and fiscal oversight of the state's funding for UPK. Currently, the Department has seen some SUFDPK-funded districts three years in a row on monitoring visits, and not much has changed in their programs. Thus, the office has not seen some large UPK programs in person every year. By visiting all districts we can share resources for literacy, social-emotional learning, and other prekindergarten-focused resources to best support students, as well as connect districts to each other to learn and grow professionally. As a next step, we recommend a meeting between the legislature, the Department, the Division of Budget, and the Executive's Office to address interests and concerns around merging laws into one.

Recommendation: The Department will complete an analysis of per pupil rates for UPK to determine what rates are necessary to preserve existing services and expand services to all eligible students. Timeline: To be completed by the end of 2025.

Impact/Considerations: While working with districts and collaborating agencies from across the state, the per pupil funding rate, which is formula-based and has remained flat for many districts over many years, is noted as one of the main reasons districts are not able to expand. The rising costs of materials and running a program, combined with the challenge of collaborating agencies not accepting the low contract rates, has made it difficult for districts to

serve more students, especially in geographically isolated areas. As noted previously in this report, the average national funding rate to educate a K-12 public school student averages out to \$26,571 per student, while childcare market rates ranged from \$10,120 to \$14,200 during the 2021-2022 school year. When districts are not able to open or operate another physical classroom due to space and cost, eligible partners will not operate programs at sites, which are generally under \$10,000 per student, and districts cannot or will not enhance those rates with local funds, then growth of UPK stalls. This can be seen in underutilized funding now. This challenge, along with regional population loss in NY State, could be the reason that UPK expansion went down by approximately 2% in 2024. By completing a full analysis on how to raise the allocational rate while merging the funding streams, plus adding \$255 million to the state budget for an annual expansion application process without creating a new separate program, the additional potential funds would allow some districts who have held back on growth to take the next step and add more students that are currently on waitlists. The following chart, from our 2022-2023 UPK application shows that in addition to challenges with physical space, the per capita rate (per 1000) is not being sufficient to share (e) and (f) of the

programs, and serve more students. A simplified expansion application process, along with a study for a rate increase to keep up with inflation, would encourage more participation.

expansion of UPK seats has previously been implemented through a

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are not selected in the lottery, the school district loses the general education revenue, which

APPENDIX A Prekindergarten Program Qualities and Oversight

New York's Prekindergarten Program Qualities

The [NYS laws and regulations](#) governing PreK programs emphasize the importance of developmentally, culturally, and linguistically appropriate instructional practices, quality teachers, and safe/healthy environments. Research indicates that children who participate in high-quality early education programs are far more likely to read at grade level and graduate from high school. Quality full-day prekindergarten programs are credited with producing significant increases in student performance in math and reading by the second grade, as well as decreasing the rates of grade retention.

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procedures that ensure the active engagement of parents and/or guardians in the education of their children. Research has shown that when programs focus on increasing parental involvement in education results in positive impacts on children, families, and school communities. The State's recent investments in PreK have fostered significant new linkages between local school districts and community partners, however those investments come with challenges in administration and expansion which will be explained in the next section of this report.

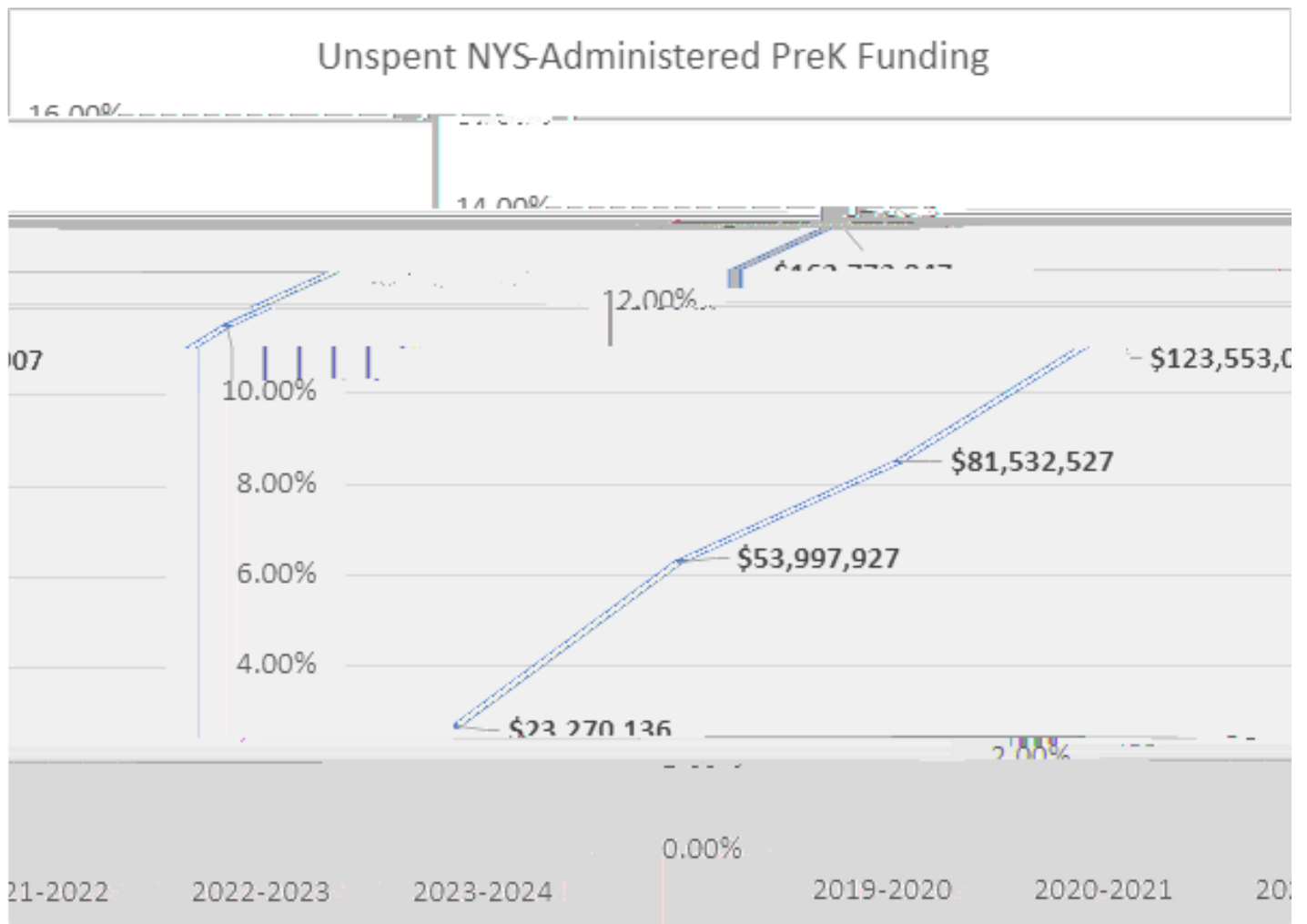
Office of Early Learning (Department) Oversight

Over the previous two years, the Office of Early Learning has held several live webinars, three in-person conferences, and established a system of matching each staff with a school district for UPK support. This process has allowed the Department to hear about the strengths and challenges from districts. Additionally, the Department's two "Navigating PreK Day" events (2.2 (f m

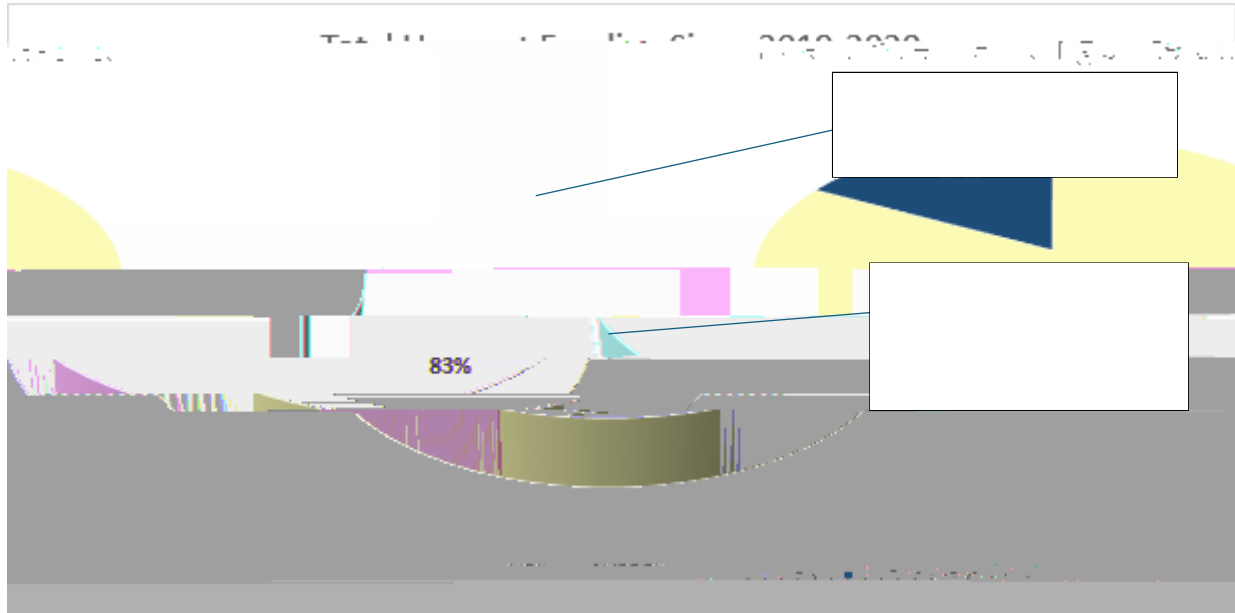
newsletters, virtual meetings, webinars, person events, and technical assistance) to ensure constituents are informed, fiscally responsive, and able to provide quality prekindergarten program. Consolidation of laws and funding streams would allow existing staff

Appendix C – Figure 2: 2024-

AppendixD –Figure 4: Unspent PreK Funding



Appendix E - Figure 6: Total Unspent PreK Funding Since 2010



AppendixF -Figure7: Funding Spent per Student

* For 2021-2022 per pupil rates were impacted due to LEAs receiving Federal UPK which provided a rate of \$5400.

** For 2022-2023, the overall per pupil rate increased due to the additional SUFDPK grant awards and additional state UPK allocations

AppendixG -Figure8: Portion of 4s (weighted) Serves of the Statutory Proxy

