

# Business Investment in Pre-K Matters!

## Basic Background on the Mississippi Pre-K Tax Credit

June 5, 2014

In Mississippi, there are 210,956 children under age 5. The most recent data shows that about 40 percent are living in poverty. More than 60 percent are living below 200 percent of the poverty level.<sup>1</sup>

**What the research shows about children in low income families is that quality preschool can make a difference.**

### Mississippi's New Pre-K Program

**The Early Learning Collaborative Act of 2013** established a collaborative delivery model for a state funded voluntary preschool program where a consortia of public school districts and/or local Head Start affiliates, private or parochial schools, licensed private child care centers, and local organizations that work with young children unite to plan and implement a community Pre-K program.

To date, the Mississippi Department of Education has selected 11 community collaboratives. Funds for the collaboratives include \$2,150 per student for full day programs and \$1,075 per student for half-day programs. It is anticipated that about 1,200 children will be enrolled with the possibility of expansion.

**Early learning collaboratives are required to match state funds on a 1:1 basis.** Local matching funds may include local tax dollars, federal dollars as allowed, parent tuition, philanthropic contributions, or in-kind donations of facilities, equipment and services (such as food service or health screenings).

### Business Partnerships for Pre-K Success

The Early Learning Collaborative Act includes a tax credit to encourage business support for educational success.

**Individuals or businesses that make a contribution to the local match are eligible for a state tax credit for donations up to \$1 million.** Any unused portion of the tax credit can be carried over for 3 years. The overall level of contributions is capped at the amount appropriated by the Legislature. Currently, \$3 million is appropriated for Pre-K and therefore, contributions cannot exceed that level.



### The Research on Pre-K

The research about quality Pre-K shows strong evidence that quality settings are related to healthy child development and school readiness.

Studies show quality Pre-K improves a child's school readiness and ultimate school performance, which leads to fewer grade retentions, fewer referrals to special education, and fewer high school drop outs.<sup>2</sup>

### Quality Pre-K Leads to School Success

The 2013 National Assessment for Educational Progress (NAEP) average reading scores for Mississippi's 4<sup>th</sup> grade children were lower than the average scores of 4<sup>th</sup> graders in 47 other states.<sup>3</sup>

- 55 percent of 4<sup>th</sup> graders eligible for free and reduced priced lunch read below grade level.
- 62 percent of African American 4<sup>th</sup> grade students read below grade level.
- 49 percent of Hispanic 4<sup>th</sup> grade students read below grade level.

Studies show that a high school graduate earns \$569,000 more over a lifetime than a student who does not complete high school.<sup>4</sup> In Mississippi, the student drop out rate is about 14 percent (17.1 percent of boys and 10.6 percent of girls).<sup>5</sup>

### Pre-K is an Economic Development Strategy

The Early Learning Collaborative Act provides a solid foundation for school success and workforce readiness. What is needed is for businesses to join with the local collaboratives to help meet the 1:1 match and help in other ways to support the success of Mississippi's first voluntary state Pre-K program.

### How can businesses help?

- ✓ **Contact the lead partner for your local collaborative.** (See table below). Let them

know of your interest. Businesses can make cash or noncash contributions (which also count toward the match). Ask what your collaborative needs.

- ✓ The Mississippi Department of Education is tracking tax credit donations. As contributions are made, the information will be shared with all collaboratives. When contacting the lead partner, verify that the cap has not yet been reached.
- ✓ When making a donation, your receipt is used to substantiate your tax credit claim when you file your state taxes. Use form 80-401, which can be found on the Department of Revenue's web site. The 2014 version of the form will contain the appropriate code to claim the credit.

2014-2015 MDE Approved PreK Collaboratives			
Collaborative	Lead Partner	Contact	Phone
Gilmore Early Learning Initiative	Gilmore Early Learning Initiative, Inc.	Dr. Cathy Grace	662-257-5437
Clarke County Early Learning Partnership	Quitman School District	Elisa Mayo	601-776-2186
Coahoma County Pre-K Collaborative	Clarksdale Municipal School District	Toya Matthews	662-627-8500
Desoto County Collaborative	Desoto County School District	Dawn Davis	662-449-7257
McComb Community Collaborative for Early Learning Success	McComb School District	Betty Wilson-McSwain	601-684-4661
Lamar County Early Learning Collaborative	Lamar County School District	Teresa Jenny	601-794-1030
Petal Early Learning Collaborative	Petal School District	Nadine Coleman	601-584-4704
Picayune School District Early Head Start	Picayune School District	Pam Thomas	601-798-3230
Sunflower County Early Learning Collaborative	Sunflower/Humphreys Counties Progress Inc.	Christopher Carpenter	662-887-1431
Tallahatchie County Collaborative	Tallahatchie Early Learning Alliance	Meghan Tooke	770-364-6390
The Corinth-Alcorn-Prentiss Early Learning Collaborative	Corinth School District	Tanya Nelson	662-287-2425



FOR MORE INFORMATION CONTACT:  
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<sup>1</sup> U.S. Census Bureau, American Fact Finder, Annual Estimates of the Resident Population by Single Year of Age and Sex for the United States, States, and Puerto Rico Commonwealth: April 1, 2010 to July 1, 2012, 2012 Population Estimates

[http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=PEP\\_2012\\_PEPSYASEX&prodType=table](http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=PEP_2012_PEPSYASEX&prodType=table)

Annie E. Casey, Kids Count Data Center, <http://datacenter.kidscount.org/data#MS/2/0>

<sup>2</sup> Investing in Our Future: The Evidence Base on Preschool Education, (2013). Society for Research in Child Development & Foundation for Child Development. <http://fcd-us.org/resources/evidence-base-preschool>

<sup>3</sup> National Assessment for Educational Progress (2013). 4<sup>th</sup> Grade Test Score Results for Mississippi. <http://nces.ed.gov/nationsreportcard/states/>

<sup>4</sup> Anthony Carnevale, Nicole Smith, Jeff Strohl, "Help Wanted: Projects of Jobs and Education Requirements through 2018" Georgetown University Center on Education and the Workforce. June 2010. <http://cew.georgetown.edu/jobs2018/>

<sup>5</sup> Annie E. Casey, Kids Count Data Center, <http://datacenter.kidscount.org/data#MS/2/0>