



OFFICE OF
**PRESCHOOL
FINANCE**

Enrollment Projection Guidance

Preschool Education Aid (PEA) Funded Districts

Districts submit enrollment projections for their preschool programs to the New Jersey Department of Education annually. These projections are used by the Department, as part of its seat allocation process, to help determine the number of funded seats awarded for the next school year. This guidance is provided to assist districts in preparing and submitting their enrollment projections.

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1. General Education Enrollment Projections

When determining the projected number of seats a district can serve for the next school year, districts should consider the factors below.

1.1 Birth-to-Preschool Data

Analyze local health department birth data and compare it to preschool enrollment three and four years later to form an accurate baseline for incoming cohorts.

1.2 Cohort Survival Method (CSM)

The cohort survival method projects future enrollment by looking at how enrollment has changed from year to year historically, then applying that average rate of change (the “survival ratio”) to the most recent enrollment figure. Steps for calculating CSM with examples are below.

Step 1 — List the historical enrollment data

Year	Enrollment
1	100
2	92
3	105
4	94
5	97

Step 2 — Calculate the year-to-year survival ratios

Survival Ratio = Enrollment in Year N ÷ Enrollment in Year N-1

Transition	Calculation	Ratio
Year 1 → 2	$92 \div 100$	.920
Year 2 → 3	$105 \div 92$	1.141
Year 3 → 4	$94 \div 105$	.895
Year 4 → 5	$97 \div 94$	1.032

Step 3 — Average the ratios

$$\text{Average Ratio} = (0.920 + 1.141 + 0.895 + 1.032) \div 4 = 3.988 \div 4 = 0.997$$

This shows that, on average, enrollment has stayed roughly flat year-over-year — a ratio just under 1.0 means a very slight average decline of about 0.3%.

Step 4 — Apply the average ratio to project the next year

$$\begin{aligned}\text{Projected Enrollment} &= \text{Most Recent Enrollment} \times \text{Average Ratio} \\ &= 97 \times 0.997 \approx 96.7 \rightarrow 97 \text{ students (rounded)}\end{aligned}$$

Based on the cohort survival method, next year's preschool enrollment is projected to be approximately 97 students — essentially stable with the current year, reflecting the near 1.0 average survival ratio despite some year-to-year fluctuation in the historical data.

Using this method well: CSM works best with more years of data (five is a minimal sample) and is more powerful when actual cohorts are tracked (e.g., a specific group of 3-year-olds moving into the 4-year-old class) rather than just total headcounts, since that captures grade-to-grade retention more precisely.

1.3 Local Community Demographics & Real Estate Trends

- What does your district's most recent demographic study show?
- Has the district experienced a large change in housing developments (single-family, multi-family, etc.)?
- Has the district experienced significant changes in specialized populations — religious communities, multilingual learner (ML) populations, migrant populations, or other groups that may influence preschool enrollment projections?
- Has the district experienced a large increase or decrease in employment, or employers moving in or out of the area (consider using county information)?
- Has the community had a large increase or decrease in residents moving in or out of the district over the past several years?

1.4 Current Year Enrollment

Seat fill rates

- Have all funded seats in the current or prior school year been filled in district, private provider, and Head Start locations? For example, if the district was funded for 100 Preschool Education Aid (PEA) general education seats, how many of those seats were actually filled?

Waitlists

- Does the district have a waitlist? What are the historical trends of the waitlist? Is there a waitlist every year? A consistent waitlist signals community demand — districts should determine how best to serve these students, in private providers or in district, if facility space permits.

- If all seats were filled, does the district have room in district facilities to accommodate additional preschool students, or can a partnership with private providers create additional seats?

P.L. 2025, c. 100 requires that school districts demonstrate due diligence to partner with all ready, willing, and able licensed child care providers and Head Start programs in the immediate and neighboring communities. Documentation of this effort is required to be submitted to the Department upon request and is also addressed in annual preschool operational plans.

Considering a seat reduction

- If there were seats that were not filled in the current or prior year, should the district consider requesting a reduction in seats?
 - Does the district have consistent under-enrollment when looking at the past five years?
 - What are the district's waitlist trends? If a district has never had a waitlist, and is historically under-enrolled, a reduction in projected seats is warranted. Note: Former Abbott districts are not permitted to have waitlists.
- If the district is considering a reduction in PEA-funded seats for the upcoming school year, does the district have a specific, data-informed process for determining where those seat reductions will occur? If so, does the district maintain documentation supporting those decisions?

2. Inclusion Enrollment Projection Planning

This section covers full-time enrollment projections for students with Individualized Education Programs (IEPs) in general education classrooms.

2.1 Legal & Practice Basis

The Individuals with Disabilities Education Act (IDEA) requires that students be educated in the least restrictive environment (LRE) — see [Sec. 300.114 LRE requirements](#). Beyond the legal requirement, it is also best practice for preschool classrooms to be inclusive for students with disabilities.

Districts should establish and/or maintain ongoing collaboration between preschool program leadership, Child Study Teams, Special Education administrators, and Early Intervention providers to develop accurate projections for preschool-aged children who may require special education and related services.

2.2 Collaborate with Early Intervention & District Student Services/Special Education

When developing enrollment projections, districts should:

- Review the number of children currently transitioning from the New Jersey Early Intervention System (NJEIS) who are expected to be evaluated or found eligible for preschool special education services.
- Consult with Child Study Team staff regarding known referrals, pending evaluations, and students already determined eligible for preschool services for the upcoming school year.
- Analyze historical transition data from Early Intervention to identify trends in the number of children who typically enter district preschool programs with IEPs each year.
- Review Child Find activities and referral trends to identify patterns that may impact future enrollment projections.
- Examine historical referral rates from local pediatricians, healthcare providers, childcare centers, and Early Intervention service providers to better estimate potential increases in preschool special education enrollment.
- Consider demographic and population trends that may affect the number of preschool-aged children requiring evaluations or services.
- Account for students who may enroll throughout the school year, recognizing that preschool special education enrollment is often fluid and may exceed initial projections.
- Document the collaborative process used to develop inclusion enrollment projections, including consultation with Early Intervention representatives and district special education personnel — this may help demonstrate that projections were based on available data and informed planning practices.

2.3 Review Prior-Year IEP Data

- Review the prior year's actual enrollment data for students with IEPs who attended preschool in district-operated programs, Head Start programs, or private provider partner locations.

2.4 Calculate the Cohort Survival Rate (CSR)

- CSR also known as the grade progression method. This method uses percentages of students “surviving” from one grade to the next over recent years to project future numbers. The CSR calculations and example of the how to use this model are outlined below.

$$\text{CSR} = \text{Current Year's Special Education (SPED) Enrollment} \div \text{Previous Year's Enrollment}$$

Step 1 — Calculate the CSR from historical data

Suppose the district is tracking how a cohort of SPED students moves from Preschool into Kindergarten:

Cohort Point	Enrollment
Previous year (Preschool SPED, Year 1)	40 students
Current year (Kindergarten SPED, Year 2)	34 students

$$\text{CSR} = 34 \div 40 = 85\%$$

This means 85% of the students in that cohort “survived” (stayed enrolled in SPED) as they moved to the next grade/level.

Step 2 — Apply the CSR to project incoming numbers

Suppose the district’s early intervention (birth-to-three) program currently has 100 children aging into the preschool/school system next year:

$$\text{Projected Incoming SPED Enrollment} = 100 \times 0.85 = 85 \text{ students}$$

The district would project 85 students entering SPED services next year, rather than assuming all 100 will transition.

Helpful notes when calculating CSR

- Calculate CSR separately for each grade-to-grade transition (Preschool→K, K→1st, etc.) if survival rates differ across levels — early-childhood transitions often have lower, more volatile survival rates because eligibility is re-evaluated at school entry.
- Use an average of the last 3–5 years’ CSR (rather than a single year) to smooth out year-to-year noise, since one cohort’s data can be an outlier.
- If the birth-to-three population is split across multiple age bands entering at different times, apply the ratio to each incoming sub-cohort separately rather than the whole group at once.

3. Additional Considerations for IEP Students in Preschool

There must be a seat available for any student with an IEP who enrolls in the district's preschool program. Districts should determine the historical average of inclusion students enrolled, and then — based on current trends in the district along with early intervention input — determine how many additional seats for IEP students should be allocated in general education preschool classrooms for the upcoming school year.

Key Requirements

Requirement	Detail
Regular Early Childhood Program (Section 618 IDEA reporting)	For IDEA educational environment data reporting (IDEA Sec. 618), the U.S. Department of Education defines this as a program with a majority (at least 50%) of nondisabled children (children without IEPs).
Head Start 10% requirement	Head Start programs must ensure at least 10% of actual enrollment are children eligible for services under IDEA. Established in 1972 to ensure children with disabilities and developmental delays, and their families, have access to Head Start's comprehensive services.
Class size cap (N.J.A.C. 6A:13A)	Class sizes cannot exceed 15 students, inclusive of general education and students with IEPs.
Best practice: NJDOE recommended best practices regarding natural proportions and high-quality inclusion. (N.J.A.C. 6A:13A) (IDEA LRE requirements (34 C.F.R. §300.114) (OSEP Dear Colleague Letter on Preschool LRE (2017) (U.S. DOE/HHS Policy Statement on Inclusion of Children with Disabilities in Early Childhood Programs (2015, updated 2023) (IDEA Section 618 reporting definition of a regular early childhood program (50% nondisabled children for reporting purposes only)	Inclusive preschool classrooms should provide all children, including children with and without disabilities, meaningful opportunities to learn, play, and participate together in regular early childhood programs. Classroom composition and enrollment should support high-quality programming, inclusive practices, peer relationships, belonging, and positive outcomes for all children, consistent with the principle of natural proportions and meaningful participation alongside nondisabled peers. For preschool children with IEPs, placement decisions must be made through the IEP process and aligned with IDEA's Least Restrictive Environment (LRE) requirements, based on the individual needs of the child. Two (2) to three (3) students with IEPs per general education classroom, is best practice to support natural proportions and high-quality inclusion.

4. Special Considerations

Please note the following when completing enrollment projections:

- Send/receive districts
 - In cases where send/receive relationships exist, each district must complete enrollment projections for resident preschool students regardless if the other district is serving them. For example, district A is a nonoperating district sending students to district B. Both district A and district B will need to complete enrollment projections for their resident preschool students.
- Projecting enrollments to serve 90% of the universe
 - While districts should be striving to serve 90% of their universe within 5 years, the goal of annual enrollment projections is to accurately project the ACTUAL number of students that are likely to enroll. Districts should not project seats simply to reach 90% if the anticipated enrollment does not support that number.

5. Summary Checklist

When projecting the number of preschool seats, districts should, at minimum, consider the following factors together to determine the district's submission of projected enrollment seats:

- Historical enrollment
- Birthrate data
- Local demographics
- Current enrollment and waitlists
- Provider capacity
- IEP projections

Note: The requested number of preschool seats may be adjusted by the State to determine the final allocation of district seats.