

Proposition 82: Preschool for All

Good Question, Wrong Answer

By Peter H. Hanley
Executive Director
California Parents for
Educational Choice

How can we better educate and prepare California's future voters and workforce? This year California is struggling with a 30% high school dropout rate, additional tens of thousands who have failed to pass a basic skills high school exit exam testing 8th and 9th grade academic standards, and a generally low achievement level throughout the K-12 system. The proposed answer, on the June 6 ballot as Proposition 82, Preschool for All (PSA), is voluntary universal preschool for four-year olds. Like most simple answers to complex problems, PSA is wrong.

Pushed by Hollywood's Rob Reiner, Proposition 82 offers nearly the most expensive approach imaginable, lays a foundation for ever greater cost explosions, disproportionately subsidizes middle class and affluent families, and is premised on limited and misrepresented research. It would dismantle today's public-private preschool network that offers parents choices and substitute an extension of the public education bureaucratic morass that has failed children for decades.

What does Proposition 82 propose?

The idea is appealing and simple in theory. Give children advance preparation, especially low-income kids and the Latino and African-American minorities who are struggling the most in K-12, and they will perform better, reducing the need for grade retention, expensive tutoring, and the numbers who fail to complete high



school. This in turn leads to reduced crime and lower social welfare costs. Proposition 82, a state constitutional amendment establishing a right to voluntary preschool (3 hours per day, 180 days per year) for all four-year olds, would come into full force in 2010–11. To be administered primarily by

county school superintendents (a layer of bureaucracy the state's California Performance Review Commission recommended be abolished), it establishes a new bureaucracy that will create curricula, build facilities at public expense, and establish new criteria and training requirements for preschool teachers and aides.

Starting in 2007, Proposition 82 will impose a 1.7% tax on

individual incomes above \$400,000 and couples above \$800,000, raising those rates to 11% and generating an estimated \$2.6 billion in revenue annually exclusively dedicated to PSA. When combined with the 1% tax Proposition 63 imposed on incomes over one million dollars, California will have the nation's highest personal income tax rate.

California already spends **\$3 billion** annually on a patchwork system that includes preschool and child-care vouchers for mothers who leave welfare for work. The federal Head Start program funds another **\$500 million**.

THE FULL COSTS OF PROPOSITION 82

How does \$26,262 per year for each additional preschooler sound to you?

That is how much we will pay for each additional four-year old—those not served by the current system, but who decide to attend preschool under PSA. Here's how it breaks down:

According to the nonpartisan Legislative Analyst's Office (LAO), 62% of our four-year olds are already in the current mix of public and private preschools. In fact, California already spends \$3 billion annually on a patchwork system that includes preschool and child-care vouchers for mothers who leave welfare for work. The federal Head Start program funds another \$500 million.

The California Department of Finance projects 550,000 four-year olds in 2010 when the program begins full operation. Doing nothing, we could reasonably expect that 341,000 (62%) would be in preschools of various types. In fact, the joint UC Berkeley-Stanford University Policy Analysis for California Education (PACE) estimates two-thirds are served by private community organizations, not the public sector.¹ Table 1 reflects the LAO's projections.



PSA adds 99,000 additional four-year olds to preschool in 2010 at a cost of **\$2.6 billion** or **\$26,262 per each additional student.**

Just accepting at face value that sufficient non-participating private schools survive the playing field’s sharp tilt toward the public sector to serve 10% of eligible pupils, PSA adds 99,000 additional four-year olds to preschool in 2010 at a cost of \$2.6 billion or **\$26,262 per each additional student.** If fewer students enroll in non-participating private schools, the cost is even higher. This reflects the cost of dismantling today’s parental choice model, politicizing the decisions about who provides education, and expanding the public education bureaucracy “blob.”

Moreover, assuming 385,000 four year olds in the PSA program, California will spend \$6,753 per student to provide 3 hours of education a day, easily the most expensive program in the country. LAO states that depending on how California allocates its current preschool and child-care spending, part of that \$3 billion already in the budget, the total could rise by \$750 to \$2000 per student, making these 3 hours comparable to what California taxpayers pay to fund the 6-7 hour days in the current K-12 system!

Table 1. 2010: 550,000 California Four-Year Olds

Percent in Preschool	Total Four Year Olds: 2010
	550,000
Enrolled in PSA: 70%	385,000
Non-participating Private Schools: 10%	55,000
Total: 80%	440,000
Base (No PSA): 62%	341,000
Total Increase: 18%	99,000

A massive subsidy to the affluent and middle classes

Federal statistics (National Center of Educational Statistics-Early Childhood Longitudinal Study) reflect that about 49% of California children from the lowest income quintile were enrolled in preschool through federal Head Start or various other subsidized programs. By contrast, 76% of children from California’s families in the top third of income households attend preschool paid for by these families. These children are already receiving whatever benefits preschool offers without taxpayer support.



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With so many middle class four-year olds already attending preschool who would switch to publicly funded schools, PACE concluded Proposition 82 “represents a huge stream of benefits disproportionately allocated to affluent families.” In fact, William Hand, a former Legislative Analyst, found that only 8.4% of the funding from PSA would be spent to enroll new high-risk children, those in low-income families and traditionally under performing minorities.

As CPEC has consistently noted, few are served well in the current public education model, but unquestionably the affluent fair far better than the poor. Transforming preschool to this model will undoubtedly mean that middle class and affluent communities will implement it faster, access the funds provided to expand facilities more easily, and attract the more highly qualified teachers, just as occurs in the rest of public education. Moreover, shortages of places and waiting lists have occurred in every universal preschool program and inevitably middle class families are better equipped than poor ones to maneuver through the system and secure a place for their children. In Quebec, for example, children from families in the upper 30% of incomes occupy half the preschool seats. Despite claims to the contrary, all indicators are that the achievement gap could actually widen if Proposition 82 is enacted as low-income communities compete with affluent counterparts.

And the costs don't stop there!

Schools Cost More. Proposition 82 mandates that children have a preschool no farther away than the nearest public school, creating a bias toward the public sector despite the fact that community schools serve two-thirds of today's preschoolers. Guess what? Public schools, especially in urban and low-income areas, are already overcrowded. So PSA provides for \$2 billion for construction, lease, purchase, or renovation of public facilities. Private facilities are only eligible to lease facilities if new enrollment slots are needed.

No research indicates that community based schools merit this discrimination. In fact, no difference in the children's development was found between public and private schools in New Jersey and Georgia.² When researchers in Georgia tracked students into the third grade they found that those from community based schools were retained in grade less and showed stronger language development.

Teachers Cost More. Another extraordinarily costly provision mandates that all preschool teachers obtain both a Bachelor's degree and an early childhood education credential by 2014 and 2016, respectively. The early childhood education credential does not even exist today. Even aides would be required to have about a year and a half of college. By contrast, today's state-operated preschools require teachers to have about

a year and a half of college with 60% of the courses in early childhood education.

PSA then mandates that these teachers be compensated “similarly” to current public school teachers. The LAO notes that the average K-12 public school salary now is about \$60,000, but together with health and retirement benefits the total cost is \$76,000. The current average annual salary for preschool teachers is \$27,000. PSA further imposes collective bargaining on both public and private preschools.

When PACE analyzed the research utilized to support this huge and expensive change in preschool teaching, it concluded the “broad claims about the discreet effect stemming from acquisition of a BA degree cannot yet be substantiated.”³ The studies proponents cited were small, not controlled properly to test for factors, and showed bias in how the teachers to be studied were selected. PACE could not find any evidence that teachers with BA degrees were more effective with four-year olds than the current approach of requiring teachers to take courses in early childhood development at an Associate Arts degree level or less.

Moreover, PACE noted that requiring preschool teachers to attend university for five years would drive minority teachers and those with lower incomes away from the profession. Currently, 53% of preschool teachers are minorities compared with only 26% of K-12 teachers.

Estimates are that California will struggle to train and hire the necessary 100,000 new teachers for the K-12 system alone over the next decade. The need for increased preschool teacher compensation is a legitimate point of debate, but imposing a legal mandate that will drastically change the market for public school teachers without any demonstrative evidence of improved academic outcomes is foolish.

Classes Cost More. PSA reduces the current California public preschools mandate of 24 students per class to 20, further increasing costs and the demand for more teachers. California has been paying an additional \$1.6 billion per year to reduce K-3 class sizes to 20, despite its own evaluation that the program was not narrowing achievement gaps and not contributing significantly to any achievement gains.

Proposition 82 lights the fuse on a massive cost explosion

All the ingredients are in place for the PSA program costs to balloon. The shift from community based preschool to public schools will create shortages as community schools close because they cannot compete with the initiative’s bias toward public schools. The subsidized program will raise demand, most effectively exercised by affluent families. Public construction projects, consistently subject to cost overruns (think Bay Bridge!), mandatory collective

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bargaining, mandated increased teacher and aide qualifications, and reduced class size all pressure budgets upwards.

Californians should look at Quebec before going to the polls. A universal preschool program projected to cost \$235 million over five years now runs \$1.7 billion every year.⁴

In addition to a long waiting list and half its seats filled with children from families in the upper 30% of incomes, recently Quebec raised the daily parent fee from \$5 to \$7. Voters should note that Proposition 82 has a provision whereby parents can be required to pay for preschool in an economic emergency.

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All this money for what?

Despite its extraordinary costs, perhaps PSA could still be worthy if indeed it assured a turn around in K-12 education, lower dropout rates, reduced crime, and generally improved our children's lives, as proponents contend. The evidence for any of that is slim to none.

According to the Reason Foundation's analysis, four-year old preschool attendance nationwide grew from 16% in 1965 to 66% today. By any measure, SAT scores, high school dropout rates, performance on the US Department of Education's National Assessment of Educational Progress (NAEP), and international testing comparing our students with other industrialized

nations, US academic performance is at best flat and in many cases has declined. While many factors are in play, if universal preschool were the panacea advocates claim, some evidence reflecting the billions of public and private preschool dollars spent should be available.

Georgia and Oklahoma have offered universal preschool since 1995 and 1998, respectively. Both were in the bottom 10 states for fourth grade reading improvement between 1992 and 2005 on the NAEP, with Oklahoma finishing dead last and actually losing four points. None of the top 10 states provide universal preschool.

In fact, only low-income children who go on to attend high quality elementary schools show some positive effects from preschool. Even there, preschool benefits are barely discernible from other children by third grade. RAND Corporation's extensive study did not support any significant academic benefit from preschool for middle class children.



Real Societal Equity

With California's multibillion dollar structural deficit firmly in place, clear health care needs for children and low-income citizens, a declining infrastructure of roads, bridges, and levees, and a dismal K-12 education system, expending billions of dollars that will significantly subsidize middle class and affluent families is close to immoral. The case for universal preschool as the panacea for bettering all children's lives, saving billions of tax dollars, and addressing a need paramount to all others in California is sorely deficient.

Endnotes

¹ "Proposition 82—California's 'Preschool for All' Initiative." Policy Analysis for California Education, University of California, Berkeley and Davis and Stanford University, 2006.

² "How to Expand and Improve Preschool in California: Ideals, Evidence, and Policy Options." Policy Analysis for California Education, University of California, Berkeley and Davis and Stanford University, 2005.

³ Ibid.

⁴ Lisa Snell, "The Case Against Universal Preschool in California." The Reason Foundation, 2006.

California Parents for Educational Choice *is a nonpartisan, nonprofit corporation dedicated to increasing the choices for California's students and parents. More information is available at our website, www.cpeconline.org.*