INTRODUCTION

On August 23rd, 2005, the Institute for America’s Future and the Center for American Progress called for $325 billion of added federal education spending over the next decade, including more than $9 billion a year to create a nationwide, universal preschool program. Although the coalition has not released a specific plan, typical universal preschool proposals call for replacing the private parent-driven preschool system with a taxpayer-funded system that would likely add one or two years of “voluntary” preschool for all children onto the current K-12 public education system. Nationwide, at least 40 states provide funding for preschool programs, and at least 28 considered legislation to expand state-funded preschool programs in 2005. Three states—Georgia, Oklahoma, and Florida—offer universal preschool.

California may become the national model for universal preschool. The California Preschool for All Act, filed with the state attorney general on June 20, 2005, calls for a voluntary, half-day preschool program that would be offered free of charge to California’s four-year olds. While this sounds like a laudable goal, this voluntary program would change the current structure of the mixed-provider market that includes a diverse group of public and private preschools into a state-controlled monopoly. Universal preschool will expand government provision of education, destroy the private market of preschool, and expand the power of teachers’ unions. Taxpayers would be forced to subsidize not only the poor but also the middle class and wealthy.

According to California’s “Preschool for All” supporters, universal preschool would enroll 70 percent of the 550,000 four year olds in California every year when fully implemented. That would be 385,000 preschoolers. According to California’s Legislative Analyst Office, 66 percent of California four year olds are already enrolled in preschool. That is 363,000 preschoolers. If California’s $2.4 billion Preschool for All initiative meets its goal of 70 percent enrollment, just 22,000 new four-year-olds would enroll, meaning it would...
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cost taxpayers a whopping $109,000 per new preschooler. There is little empirical evidence to demonstrate any lasting educational or socioeconomic benefit of government-run preschool programs. In addition, it’s clear that state-run schools are already failing to manage their existing programs. Supporters radically underestimate the net cost of this new program, which would require mandatory credentialing under the auspices of the bureaucracy of the county superintendents of schools. And high costs are only the beginning. The current private preschool market offers an array of choices. Government preschool is a formulated, one-size-fits-all approach to education that institutionalizes young children at their most impressionable ages. This is a move backwards that should be avoided.

CALIFORNIA: A CAUTIONARY TALE

California may become the national prototype for universal preschool. Hollywood director Rob Reiner is promoting “Preschool for All,” a June 2006 ballot initiative, calling it “a broad-based, multi-year, non-partisan advocacy campaign to achieve voluntary preschool for all four-year-olds in California.”

While universal preschool for all children sounds like a laudable goal, the Preschool for All Act represents a de-facto institutionalization of preschool in California by creating a new government-managed, $2.5 billion a year entitlement program that subsidizes the preschool choices of middle-class and wealthy families. Although it is a voluntary program, it would change the current structure of the mixed-provider preschool market into a state-controlled monopoly.

California’s Preschool for All initiative would be financed by a 1.7 percent tax increase on individuals who earn over $400,000 (or couples earning over $800,000), pushing the tax rate on upper income families to a national high of 12 percent. This new tax represents an 18 percent tax increase on wealthy Californians. With wealthy Californians already leaving the state in search of lower tax rates in states like Nevada, Texas, and Washington, adding an additional tax burden will exacerbate the problem. The last time California raised income tax to this level, it contributed to a five-year recession.

California currently spends more than $3 billion a year on subsidized preschool for low-income children. A recent report by the District Attorney in charge of welfare fraud in California reports that rampant fraud is costing California taxpayers as much as $1.5 billion a year—half of the welfare money it pays to needy families for child care. In Los Angeles, for example, officials estimate Los Angeles County loses 40 to 50 percent of its $600 million-a-year child-care allocation to fraud. Perhaps we should reform the $3 billion we already spend on child care to direct more resources to serve disadvantaged children.

In light of the resources we already spend on early childhood education and the competing demands for scarce resources from children’s health insurance, transportation, local government, and K-12 education, it is a very difficult position to argue that more public dollars should replace private spending for preschool.

THE FIRST 5 CALIFORNIA EXPERIMENT

In 1998, Californians approved Proposition 10, a state ballot initiative adding a 50-cents-a-pack cigarette tax that is allotted to early childhood development programs. Actor-director Rob Reiner, who spearheaded the Prop 10 campaign, became chairman of First 5 California, the agency created to distribute those funds. The program has been plagued with mismanagement crises since its inception.

Funds are disbursed through county commissions, which are not required to limit administrative spending or adopt standard contracting and procurement policies. Of the $3.4 billion the tax has generated, only $1.3 billion has been spent—mostly to provide universal health care to children in 18 counties. To date, more than $164 million have been...
spent on advertisements and public relations. It was only in March 2005 that Reiner announced the long-awaited launch of the First 5 program to make preschool available to 100,000 4-year-olds in Los Angeles.

According to a Los Angeles Daily News investigation, First 5 California has paid several public relations and marketing firms for media and advertising campaigns, including $103 million to Washington, D.C.-based GMMB, $42 million to Los Angeles-based Rogers & Associates, $6 million to Sacramento-based Runyon Saltzman & Einhorn, and $14 million to Los Angeles-based Asher and Partners. Those payments included expenditures for paid media advertisements, public-relations staff to support the 58 county commissions, and $15 million that goes to more than 100 community-based organizations for public-information services. In comparison, the Los Angeles Daily News reports that the state Department of Social Services spent $2 million on the Safely Surrendered Baby campaign during that period.

Chairman Reiner has argued that these expenditures have been necessary to make the general public aware of the necessity for preschool and early childhood care. However, the same $164 million would have let hundreds of children actually attend preschool instead of watching preschool ads on television. In addition, a 2004 state audit found that excessive amounts of Proposition 10 funds were spent on administrative and travel expenses. In November 2004, the Los Angeles Daily News reported that "six years after Reiner had won approval for the tobacco tax, the universal preschool program had yet to get up and running—bogged down by poor planning, political infighting and conflicts of interest."

While spending on advertising by First 5 may be irrelevant to the actual merits of universal preschool, it offers support to the idea that creating new commissions and third-party bureaucracies may not be the most efficient mechanism to direct taxpayer dollars to preschool-age children in California.

EXAMINING THE ECONOMIC CASE FOR PRESCHOOL IN CALIFORNIA

Much of the momentum for universal preschool in California comes from a RAND Corporation study claiming that making universal preschool available in California would yield $2.62 in benefits for every $1 spent. RAND bases these positive economic predictions for California children on extrapolations from a study of a preschool intervention known as the Chicago Child-Parent Center program. The Chicago preschool program served the most disadvantaged children in Chicago. These children were the subject of a longitudinal study of more than 1500 disadvantaged children, about 1000 of whom went through the preschool program and 550 who did not. The study found children going through the program had less grade repetition, less need for special education, higher graduation rates, less child abuse cases, and lower crime incidents.

However, comparing the Chicago program with the treatment that Reiner would offer to all children in California is like comparing apples and oranges. The Chicago children had positive economic outcomes because of intensive family and school interventions. For instance, the Chicago program includes a parent program that provides a parent resource room with educational workshops, reading groups and craft projects. Parents also volunteer in the classroom, attend school events and field trips, and are assisted in completing high school.

The Chicago program also featured outreach activities including home visitations by staff. Also health screening, speech therapy, and nursing and meal services were provided. In addition, many of the children in the study received tutoring in reading and math until the third grade. As Arthur J. Reynolds, the lead researcher in the Chicago study stated in support of his findings, "We are confident that participation in the Child-Parent Center (CPC) Program from ages 3 to 9 years was the source of the group differences at age 20 years."

In contrast, the Reiner initiative is a small-scale intervention that would involve children for 180 days rather than six years.

The bottom line for the Chicago study is that it is difficult to say with certainty whether the positive economic outcomes for the disadvantaged children were brought about by the preschool intervention or the extra tutoring or the parental involvement. The RAND researchers were willing to assign similar economic benefits for California children even though the preschool treatment would be entirely different from the treatment in the Chicago study.

Psychologist Dr. Matthew Thompson of Children's Hospital in New Orleans, writing in the American Medical Association Journal, critiqued the Chicago program, saying:

It is possible that parental involvement explains more of the variance in outcome among inner-city children than do structured programs. . . . If
policy makers mistakenly accept the conclusion that preschool intervention results in less criminal activity later, they may mistakenly invest in these programs when the money might be better invested in parenting skill programs and other interventions to increase parental involvement.\textsuperscript{17}

While the Chicago study offers at least some justification for assigning economic benefits to the most disadvantaged children, RAND offers no justification for assigning economic benefits to better off children who make up the majority of the children that would receive universal preschool services in California. According to former Legislative Analyst Bill Hamm only 8 percent of funding from the new program would go to enroll “high-risk” kids in preschool, who otherwise would not attend preschool.\textsuperscript{18}

RAND’s study states that “there is little in the way of quantitative evidence to suggest how much benefits would be attenuated [i.e., lessened] for more-advantaged children.” Yet, despite the lack of this evidence, RAND arbitrarily makes the assumption that middle-income children would receive 50 percent of the benefits of the Chicago program, while upper-income children would receive 25 percent of the benefits. The bottom line is that there is no empirical justification to assign any economic value to the benefits of universal preschool for wealthier children.

**EVIDENCE SHOWS LIMITED VALUE OF GOVERNMENT-RUN PRESCHOOL PROGRAMS**

There is little empirical evidence to demonstrate any lasting educational or socioeconomic benefit of government-run preschool programs for all children. Evidence from performance on the National Assessment of Education Progress (NAEP), which is considered the nation’s report card, argues against the value of investing in universal preschool. Georgia has had universal preschool open to all children since 1995 and Oklahoma has had a universal program in place since 1998. Yet, the overall performance of these states on the NAEP in terms of reading achievement calls into question the lasting value of universal preschool on academic outcomes. In a recent analysis of the top 10 best and worst state performers, based on the percentage point change in fourth-grade reading tests between 1992 and 2005 on the NAEP, both Georgia and Oklahoma were in the bottom 10 performers.\textsuperscript{19} In fact, Oklahoma was the worst performer of all states in terms of gains in fourth-grade reading between 1992 and 2005, actually losing 4 percentage points.

More specifically, in Oklahoma 33 percent of fourth graders were below basic in reading in 1992. By 2005 40 percent of Oklahoma fourth graders were scoring below basic. In 1992, 38 percent of Oklahoma fourth graders scored basic in reading. Again by 2005 only 35 percent of fourth graders could read at a basic level. Finally, in 1992, 25 percent of Oklahoma fourth-graders were proficient in reading, but by 2005, only 21 percent were.

One would expect that a large statewide investment in universal preschool including high paid, credentialed teachers and high quality curriculum would have a positive effect on fourth-grade reading scores. These scores declined, despite the fact that all of the children that took the 2005 NAEP reading test in Georgia and Oklahoma were eligible for universal preschool.

On the other hand, none of the states in the top ten best performers in terms of gains in fourth-grade reading on the NAEP card between 1992 and 2005 had implemented universal preschool.

Similarly, a February 3rd 2006 study, by researchers Russell W. Rumberger and Loan Tran of UC Santa Barbara found no lasting academic impact from state-run preschool programs. They found that while children enrolled in preschool had some moderate advantages in kindergarten performance, the benefit dissipated by third grade.\textsuperscript{20}

The Goldwater Institute’s Darcy Olsen, who has compiled extensive research on early childhood education, provides a useful summary of key findings from preschool studies:\textsuperscript{21}

- After ten years, the Georgia preschool program has served over 300,000 children at a cost of $1.15 billion and children’s test scores are unchanged. “The study sample does not differ from the entire kindergarten population in GKAP capability scores.”

- Head Start, the nation’s largest preschool program for disadvantaged children, has not measurably improved educational outcomes. “Once the children enter school there is little difference between the scores of Head Start and control children...Findings for the individual cognitive measures—intelligence, readiness and achievement—reflect the same trends as the global measure...By the end of the second year there are no educationally meaningful differences on any of the measures.”
Historic trends are unpromising. The preschool enrollment rate of four-year-olds has climbed from 16 percent to 66 percent since 1965. Despite the change from home education to formal early education, student achievement has stagnated since 1970. If early education programs were essential building blocks for success, we would expect to see at least some relationship between that increased enrollment and student achievement.

America’s flexible approach to early education gives children a strong foundation, according to widely used proxy measures of preparedness, concrete skills assessments and reports by kindergarten teachers. We find further evidence of the strength of our early education system in international comparisons, which show U.S. fourth graders are “A” students on the international curve, excelling in reading and science and performing above average in math.

By twelfth grade, U.S. students are “D” students on the international scale—a decline occurring after fourth grade. Whatever the cause of that decline, it appears to have little or nothing to do with a lack of preparation in the early years.

Finally, the most dubious claim of all is that subsidizing universal preschool will benefit middle-class or wealthy children. There is even more uncertainty about preschool’s long-term effect on children from higher-income families. RAND admits that the research literature “is more limited in providing scientifically sound evidence of long-term benefit of high-quality preschool programs for more-advantaged children.”22 In fact, as Lance Izumi explains, “the Rand report could only identify one study that looked at the longer-term benefits to more-advantaged children.”23 RAND acknowledges, “This study found that children participating in preschools not targeted to disadvantaged children were no better off in terms of high school or college completion, earnings, or criminal justice system involvement than those not going to any preschool.”24

A Children’s Hospital and Boston College study published in the July 2005 issue of *Pediatrics* found that suburban kids enrolled in a high-quality early education program differed little from their suburbanite peers who were not enrolled.25 However, at-risk urban children enrolled in high-quality preschool programs did better in school and had better physical and mental health as adults than their peers who did not attend such programs.

In addition, a number of child development researchers have recognized that normal children who are admitted to school too early will often become underachievers and display developmental problems. A November 2005 study by researchers at Stanford University and the University of California, Berkeley, analyzed data from more than 14,000 kindergartners from the National Center for Education Statistics’ Early Childhood Longitudinal study. They found evidence that preschool hinders social development and created poor social behavior, such as bullying and aggression, and a lack of motivation to take part in classroom activities. Those patterns for former center-based preschoolers were the strongest among white children from high-income families and among low-income black children. The study, *How much is too much? The Influence of Preschool Centers on Children’s Development Nationwide*, found that children who attended preschool at least 15 hours a week are more likely to display more negative social behaviors, such as acting up or having trouble cooperating, than their peers. Children from better-off families were most likely to exhibit social and emotional development problems, said UC Berkeley sociologist and co-author Bruce Fuller.26

Similarly, a 2004 issue analysis by the Home School Legal Defense Association (HSLDA) cites research by Rebecca Marcon, a researcher from the University of North Florida, that explains:27

Children’s later school success appears to be enhanced by more active, child-initiated learning experiences. Their long-term progress may be slowed by overly academic preschool experiences that introduce formalized learning experiences too early for most children’s developmental status. Pushing children too soon may actually backfire when children move into the later elementary school grades and are required to think more independently and take on greater responsibility for their own learning process.

Scores from international tests also call into question the benefits of early childhood education for all children. The 2004 HSLDA issue analysis summarizes some of the international evidence:28

In 2000, the Program for International Student Assessment (PISA) was conducted, which tested children from 32 nations in the areas of reading literacy, mathematics, and science. The results showed that children who have to start school at a
very young age did not consistently do better than those who can start later. A similar assessment, the Third International Mathematics and Science Study (TIMSS), revealed comparable results. The country of Finland was a standout in both of these international assessments, ranking near or at the top in all tested subjects. These impressive results were achieved despite the fact that school attendance in Finland is not compulsory until age 7, later than almost any other European country. Some of the lower scoring countries in PISA were Sweden and Greece, which both emphasize early education. Sweden has some of the most comprehensive childcare in Europe, with the vast majority of children ages 1-12 having a place in a publicly funded child-care center. Even with this emphasis, however, Sweden ranked among the average countries in the PISA test, and Greece was among the five worst nations in all three subject areas.

Studies show that middle-class and wealthy children are doing well despite a lack of universal preschool. The only children who might benefit from universal preschool would be high-risk children who currently do not attend preschool. It makes little economic sense to subsidize preschool for all children.

HEAD START’S POOR TRACK RECORD

Head Start, a voluntary, government-run early education program, should be a good indicator of the success of an expanded national preschool program. The RAND study cites the success of the federal Head Start program, but Darcy Olsen of the Goldwater Institute finds that Head Start has not measurably improved educational outcomes:

Once the children enter school there is little difference between the scores of Head Start and control children....Findings for the individual cognitive measures—intelligence, readiness and achievement—reflect the same trends as the global measure....By the end of the second year there are no educationally meaningful differences on any of the measures.

In its 40-year history, Head Start has proven to be rife with financial abuse, mismanagement, and outright theft. A 2005 investigation by the House Committee on Education found that because of fraud and poor management, a significant share of the nearly $7 billion being invested annually by American taxpayers in Head Start never reaches or benefits disadvantaged children.

In New Jersey, where universal preschool is already law, about a dozen state-contracted child care centers—nearly a third of the number audited by the state—have been referred to the state attorney general’s office for possible prosecution. Instead of educating children, administrators bought cars and jewelry, paid themselves six-figure salaries, and even went gambling in Atlantic City. Researchers also found a wide gap in quality among preschool classrooms as they sat in on hundreds of classes across the state to evaluate New Jersey’s $400-million-a-year effort to help needy children catch up to their wealthier suburban peers. They found significant problems in many of New Jersey’s state-funded classrooms for poor preschoolers, including harsh discipline, a dearth of books, and weaknesses in science and math.

The county offices of education have done a poor job managing the federal Head Start preschool program. For example, a federal audit of the Los Angeles County Office of Education, one of the largest recipients of Head Start grants in the nation, found minor to severe safety, administrative and fiscal problems, such as the improper monitoring of student medication, to improperly enrolling high-income students. This mismanagement could cause Los Angeles County to lose $210 million in federal funding for preschool. And yet, California’s universal preschool supporters advocate giving this office control over the entire Los Angeles preschool market.
WHY UNIVERSAL PRESCHOOL WILL FAIL

California continues to face severe budget shortfalls, with the 2006-2007 state budget estimated to have between a $3 billion and $6 billion deficit. In the midst of a spending crisis, it is fiscally irresponsible for California to pass another constitutional amendment that mandates a state-wide spending program that costs billions. In addition, the California Teachers Association claims that K-12 education is already owed more than $8 billion in state revenue. Regardless of the merits of the unions’ claims on future tax revenue, the persistent deficits in California make it clear that California doesn’t even have enough money to pay for the services government is already providing.

The Preschool for All costs assume that only 70 percent of eligible four-year-olds will take advantage of the new preschool entitlement. Currently, 66 percent of California four-year-olds are enrolled in preschool through private and subsidized tuition, meaning that billions would be spent to achieve a 4 percent increase in enrollment. Many of the new children enrolled in public preschools would be low-risk children who have moved over from private preschools. A May 2005 study by a UC Berkeley-Stanford team contends that free and universal access to preschool would be more costly and could widen, not close, early achievement gaps, when compared with targeting dollars to families who have few other educational options in their neighborhoods.

Quebec’s experience with seven years of universal preschool provides a cautionary tale for California. The program that was supposed to cost $235 million over five years now gobbles $1.7 billion every year. Yet there are not enough day cares to go around, forcing Quebec parents to put kids that have not even been conceived on a waiting list. (A Canadian likened getting a space in a day care to winning a lottery.) Half of the day care spaces are taken by the top 30 percent income bracket.

In this initiative, limited state funds are diluted across wealthy, middle-class, and low-income preschool children. The Preschool for All Act requires counties to admit eligible children to the extent that space is available. In Florida, where the state is implementing the first year of universal preschool, capacity has become a big issue. A shortage of available preschool space has forced all children to compete by lottery for available preschool slots. The lottery pits low-income children against higher-income children for state-guaranteed preschool slots. A much more economically rational approach is to target those children who truly cannot afford preschool and would benefit the most from it, rather than creating a preschool shortage by subsidizing all children.

REDUNDANT BUREAUCRACY: CALIFORNIA’S SUPERINTENDENT OF SCHOOLS

Preschool for All advocates claim that they will uphold the current mixed preschool market. However, the actual language of the initiative as filed makes it clear that the California Superintendent of Schools in partnership with county school superintendents will run preschool in California. The Act states that “County superintendents of schools, alternative local administrators, and the Superintendent of Public Instruction shall have the authority, as set forth in the Preschool for All Act, to administer all Preschool for All Programs, including the allocation of funds as prescribed by the Preschool for All Act, and to select and approve preschool program providers who meet the eligibility requirements prescribed by the Preschool for All Act.”

In 2004, the California Performance Review commissioned by Governor Schwarzenegger recommended eliminating county offices of education as a redundant layer of bureaucracy in the K-12 public school system. The commission argued that eliminating the county offices of education could save at least $45 million, pointing out that no other state has the same county layer of education bureaucracy as a go-between for the state board of education and local school districts. The Preschool for All initiative would give county offices of education their own school system and further legitimize the role that county superintendents play in the K-12 education system. In essence, county superintendents of schools will become the regulatory authority over the preschool market as well as providers of preschool services, making them both gatekeepers of their own services and regulators over their competition.

The core mission of the 58 county superintendents of schools is to support the financial and academic soundness of every district and school in the state. County school superintendents have done a poor job in their core mission. On July 8, 2005, Democratic State Controller Steve Westly said his auditors found that 552 school districts had overspent by a combined total of about $682 million in the 2003-04 school year.
In addition, 62 school districts have told the state that they either cannot or may not be able to pay the bills they owe for the school year that just ended—and could also have trouble paying those they will owe in the next two years.

Since 1991, it has cost California taxpayers almost $220 million to bail out seven public school districts because of financial mismanagement and fraud:

- $60 million (pending); Vallejo Unified, 2004
- $100 million; Oakland Unified, 2003
- $2 million; West Fresno Elementary, 2003
- $1.3 million; Emery Unified, Emeryville, 2001
- $20 million; Compton Unified, Los Angeles County, 1993
- $7.3 million; Coachella Valley Unified, Riverside County, 1992
- $28.5 million; Richmond Unified (now West Contra Costa Unified), 1991

These fiscal failures at the district level have been directly linked to a lack of oversight by county school superintendents. For example, for a fourth year in a row, the Alameda County Civil Grand Jury has found the Alameda County schools superintendent deficient in managing the fiscal crisis of local schools. A July 2005 grand jury report found that Superintendent Sheila Jordan has not been effective in preventing school district problems from developing into crisis situations and recommended more financial oversight of the county’s school districts.

In addition, 142 school districts and more than 1800 schools are listed as failing under No Child Left Behind and have entered program improvement status in the state of California.

Perhaps the county superintendents of schools need to revisit their core mission before taking over managing the accountability of the existing preschool system in California.

The Preschool for All Act would substantially favor public school provision of preschool over private providers. The Act mandates the use of existing appropriate public facilities (i.e. public schools) wherever possible and offers public schools $2 billion in new facility funding, yet offers private preschools minimal money to “renovate existing facilities.” The Act also states that children will have a preschool opportunity that is no farther away than the nearest public kindergarten; geographically, this favors public schools located closest to eligible children. The bottom line is that both the attendance boundaries and the facilities funding favor public school providers over non-public school providers.

The initiative would potentially subject all preschool providers to collective bargaining and take the personnel decisions away from preschool directors and owners. Salary levels would be required to follow the current K-12 salary schedule. The current K-12 teaching profession is grappling with the outdated union-controlled collective bargaining personnel model that takes human resources decisions away from school principals and locks teachers into a salary schedule regardless of performance or demand for specific teaching specialties.

Finally, Preschool for All would require a new mandatory credentialing system for preschool teachers run by the county superintendent of schools. The Act will require all preschool teachers to obtain bachelors degrees and an early childhood credential, which is not currently required for providers. A May 2005 UC Berkeley-Stanford University study found that in states leading the preschool charge, higher credentials have proven to be very costly and have yielded no discernible gains for children beyond the benefits felt from teachers with a two-year degree and training in child development.

RESPONSIBLE ALTERNATIVES TO UNIVERSAL PRESCHOOL

California’s healthy preschool market provides opportunities for parents to choose among a wide variety of educational options, but there are improvements to the current system that will streamline and diversify the market.

One-stop Shop for Preschool

California currently spends more than $3 billion a year on subsidized preschool for low-income children. Rather than creating yet another preschool bureaucracy and tax-funded revenue stream, California can create a single integrated, seamless administrative system that will serve low-income families. The different funding streams that support low-income families have multiple administrative bureaucracies, paperwork requirements, and eligibility requirements. Millions of dollars that could go directly to pay for more low-income preschool slots are wasted maintaining duplicative preschool programs. California needs a one-stop shop with a centralized eligibility list for low-income preschoolers.

Preschool For All Tax Credit

A tax credit approach could help California achieve the
policy goal of more quality preschool for California children with the most efficiency for taxpayers and the greatest satisfaction for parents. By supporting new preschool slots for low-income and middle-class children, all taxpayers would be able to keep more of their own income to pay for their own preschool choices. A $1,000 tax credit to middle-income families would help them to choose from a wider preschool market, and a corporate tax credit scholarship program could be created to give scholarships that would enable low-income children to attend existing preschools. Pennsylvania’s example of the corporate program shows that companies have been responsive to tax incentives. The state expanded the existing K-12 corporate tax credit program in 2003, giving corporations a 100 percent credit for the first $10,000 and up to a 90 percent credit for remaining contributions up to $100,000. To date, $5 million a year is used to target Pennsylvania’s low-income children with preschool scholarships. Families of children receiving the scholarships must earn less than $50,000 plus a $10,000 allowance for each dependent. In the first year of the program, 39 preschool scholarship organizations were created.

MEETING FAMILIES NEEDS, BALANCING STATE BUDGETS

Preschool for All is not a program that California needs, yet opposition to the concept is muted because policymakers do not want the stigma of opposing programs “for our children.” Yet the program makes no fiscal sense, and, as with the provision of K-12 education, the costs of publicly run preschools will likely escalate beyond the initiative’s current projections. Once the program is established and has a large constituency of preschool families, there will be calls for more taxpayer support. The Preschool for All initiative is not self-sustaining and will likely require future support from the general fund to truly provide preschool for all four-year-olds.

In the midst of the state’s biggest financial crisis in history, it does not make sense to increase taxes to support a new spending program. California’s mixed provider preschool market already serves two-thirds of four-year-olds. The bottom line is that Preschool for All will subsidize preschool children whose families can already afford to pay for preschool. In a time when California’s limited funds are best spent on programs that increase the educational outcomes for students, universal preschool is not the panacea claimed by proponents.

ENDNOTES

3. Ibid.
10. Ibid.
11. Ibid.


22. Karoly and Bigelow, The Economics of Investing in Universal Preschool Education in California.


24. Karoly and Bigelow, The Economics of Investing in Universal Preschool Education in California.


31. “Preschool Problems; Rocky Road for Promising Program,” The Record (Bergen County, NJ), March 28, 2005.


35. Fuller, et al., How to Expand and Improve Preschool in California.


41. Ibid.


45. Fuller, et al., How to Expand and Improve Preschool in California.


47. Ibid.
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Ms. Snell frequently comments on education issues on radio and television media including recent appearances on the Fox News Channel, ABC’s “Wall Street Journal Report,” and numerous regional news programs. Ms. Snell has published numerous articles and op-eds on school choice in newspapers including the Las Vegas Review Journal, Orange County Register, and the Los Angeles Daily News and frequently speaks about this issue. She is a frequent contributor to Reason magazine and a monthly columnist for Reason Foundation’s Privatization Watch.

Before joining Reason, Ms. Snell taught public speaking and argumentation courses at California State University, Fullerton. She was also a recipient of the 1994 Charles G. Koch Fellowship and worked on public policy issues for the Institute for Justice and Reason magazine.

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