



NO MAGIC BULLET

Top Ten Myths about the Benefits of
Government-Run Universal Preschool

BY LANCE T. IZUMI AND XIAOCHIN CLAIRE YAN

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By Lance T. Izumi and Xiaochin Claire Yan

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Pacific Research Institute
755 Sansome Street, Suite 450
San Francisco, CA 94111
Tel: 415/989-0833 | 800/276-7600
Fax: 415/989-2411
Email: info@pacificresearch.org

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Introduction | A Fatal Attraction

A majority of California's K-12 students are not proficient in English and math, roughly a third of high-school students fail to graduate, and up to 80 percent of incoming freshmen at a number of state university campuses need remedial instruction. These dismal realities confirm that California's public education system is broken and it isn't surprising that some seek a magic bullet to fix it.

A few years ago, lawmakers and educators touted class-size reduction as the magic bullet that would improve faltering student achievement. Despite spending billions of taxpayer dollars, however, the state's own commissioned research has shown that reducing class size has had little effect on student performance. Now comes the new magic bullet in the education ammunition belt: Proposition 82 on the June 2006 state ballot, which claims that one year of free voluntary government-run preschool for all four-year-olds will fix a host of problems.

Under Proposition 82, the brainchild of political activist, movie director, and former actor Rob Reiner, the state income tax rate would be increased by 1.7 percent on individuals earning \$400,000 or more a year and couples earning \$800,000 or more a year. These income benchmarks are not indexed to inflation, so more people will be subject to the higher tax as inflation raises people's income. The revenues raised by this tax increase would be used to fund the projected \$2.4 billion per-year cost of Reiner's proposal. The new government-run preschool program would be supervised by the state superintendent of public instruction and the California Department of Education. Program plans and details would be created by county offices of education.

Reiner and his allies claim Prop. 82 is worth the cost. They cite research that purports to show that for every dollar invested in government-run universal

preschool, society receives \$2.62 in long-run benefits such as higher student performance and lower levels of criminal activity. Yet this claim and many others made by the proponents of Prop. 82 are built on a series of myths.

“Myths are not lies,” explains Jay Greene, chair of the department of education reform at the University of Arkansas, who recently published a book on myths in education. “They’re plausible stories that people tell that have some bits of support, but just don’t encompass the entire truth. Myths are the assertions we make that are simply inconsistent with the broad consideration of evidence.”¹

This paper will examine 10 of the most common myths propagated by the supporters of government-run universal preschool. It will become apparent very quickly that the flaws in the Reiner proposal, in the words of Democratic State Senate president pro tem Don Perata, “are fatal.”²

Ten Myths about the Benefits of Universal Preschool

MYTH #1: *For every taxpayer dollar spent on government-run universal preschool, society will reap greater dollars in future benefits.*

Despite the high cost of establishing a new layer of government-run schooling, the supporters of Prop. 82 argue that the price is worth it because of the long-term benefits to society. They point to a 2005 RAND Corporation study, funded by the Packard Foundation as part of its advocacy campaign to get California to adopt a universal preschool program. According to RAND, for every dollar invested in one year of voluntary government-run preschool for all four-year-olds, California would receive \$2.62 in long-term benefits such as reduced special education, reduced number of children retained in grade, increased high-school graduation, reduction in abuse and neglect of preschool participants, reduced crime rates, and increased wages and taxes paid by participants.³ This sounds good until one realizes the plan provides no guarantee whatsoever that these benefits will ever be realized.

The RAND study is based, in large part, on previous research done on the Chicago Child-Parent Center preschool program targeted at low-income children. In that research, 1,000 children who went through the program and 550 who did not were tracked for 15 years. Better student performance, fewer child abuse cases, and lower crime incidence were found for those children who went through the program.⁴ *Los Angeles Times* business columnist Michael Hiltzik notes that such results are based on “empirical data, derived by carefully tracking ex-preschoolers through age 20 or older.”⁵ In contrast, Hiltzik observes, the RAND cost-benefit figure “is an extrapolation applied to a program that doesn’t yet exist.”⁶ Hiltzik says that the principal author of the RAND paper acknowledged to him that such figures “should be seen as a projection, not a measurement”—in other words, a much more uncertain calculation.⁷

If RAND's cost-benefit figure is a projection, then the question is whether there is sufficient empirical evidence to believe that this projection will pan out. There is mixed evidence regarding the overall longer-term effects of preschool. Although the Chicago study and several smaller studies show long-term positive results for low-income preschool participants, other studies that examined the effects of preschool on much larger groups of children concluded that any benefits faded away by the middle of elementary school. A 2006 study by University of California at Santa Barbara (UCSB) researchers illustrates this fade-out effect.

The study used long-term student data from the Early Childhood Longitudinal Study of the Kindergarten Class of 1998–99. Based on their review of these data, which included assessments of children's reading, math, and general knowledge skills, the UCSB researchers found that "the achievement impact of preschool appears to diminish during the first four years of school."⁸ Much of the blame for this fade-out effect can be laid at the doorstep of ineffective public schools. Indeed, the researchers concluded that "preschool alone may have limited use as a long-term strategy for improving the achievement gap without strengthening the schools these students attend or without providing additional support during the school years."⁹

In other words, unless California's underperforming public K-12 system improves, do not expect preschool to produce all those long-term benefits touted by Reiner and his allies.

MYTH #2: *Middle- and upper-income children benefit from government-run universal preschool.*

The evidence that does exist shows that the long-term advantages of preschool attendance focus mostly on children from low-income, disadvantaged backgrounds. The gaping hole for the supporters of Proposition 82, however,

is the lack of long-term evidence that preschool attendance benefits children from middle-income and upper-income backgrounds.

RAND identified only one study, published in 2002 in the *American Economic Review*, that looked at the question of long-term benefits of preschool to children from non-disadvantaged backgrounds.¹⁰ According to RAND, “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.”¹¹ Thus, preschool had no long-term beneficial effect on middle-income and upper-income children.

Absent any long-term evidence of preschool benefits to middle-income and upper-income children, Prop. 82 advocates are forced to rely on limited short-term evidence of the benefits of preschool to more advantaged children. A 2005 Stanford–UC Berkeley study found modest short-term gains in reading and math skills for middle-income and upper-income children who attended preschool.¹² For their part, Prop. 82 supporters prefer to point to studies of Oklahoma’s universal preschool program conducted by Georgetown University professor William Gormley. Yet even Gormley’s findings are inconsistent.

For instance, it is true that in a 2005 study by Gormley, children from more advantaged backgrounds who attended preschool tested higher in reading, spelling, and math when in kindergarten.¹³ This one-year improvement was measured using results from the Woodcock-Johnson Achievement Test, widely used in studies of early education. However, this positive short-term result clashes with findings from Gormley’s 2003 study of the Oklahoma universal preschool program.

In the 2003 study, Gormley and his colleagues examined children who had gone through preschool in the Tulsa Public Schools system. At that time, Oklahoma tested preschool children using the Early Childhood Skills

Inventory, which contained questions on language skills, cognitive/general knowledge, socio-emotional development, and motor skills. After reviewing the test results, Gormley reported, “For children ineligible for a free or reduced price school lunch (i.e., students from higher socio-economic bracket), there are *no effects* [emphasis added].”¹⁴ In other words, according to Gormley, “no net gain was apparent.”¹⁵

Gormley attempted to explain this important discrepancy by theorizing that the difference in the testing instrument “may explain the difference.”¹⁶ However, he could not be sure. This uncertainty, no doubt, is one of the reasons why he hedged his bets by making an important acknowledgement: “A universal pre-K program may or may not be the best path to school readiness.”¹⁷

Even with Gormley’s later positive short-term finding, RAND urges caution. Given the lack of any long-term evidence of the benefits of preschool to middle-income and upper-income children, RAND says that any short-term link between preschool attendance and higher test scores for advantaged children “does not necessarily translate into gains in eventual educational attainment or other economic outcomes in adulthood as it appears to do for more-disadvantaged children.”¹⁸

If there is no long-term evidence of the benefits of preschool to middle-income and upper-income children, and the short-term evidence is inconsistent and hardly predictive of long-term effects, why are children from higher-income backgrounds included in Prop. 82’s government-run universal preschool program? The answer lies not in good public policy, but nonempirical political calculations. It is simply easier to pass a ballot initiative if it hands out government goodies to higher-income groups.

RAND admits that one of the key reasons for pushing for a universal program as opposed to a program targeted at the poor is because “[p]olitical support may also be stronger for programs available to all children”¹⁹ Gormley, too, in his 2003 study that found no preschool benefits for higher-

income children, said that a universal preschool program could still be preferable to a targeted program because of “the political advantages of widespread public support.”²⁰

Although the politics may be better, there is no long-term evidence of the benefits of preschool to middle-income and upper-income children. That is reason enough to undermine the credibility of any universal preschool proposal.

MYTH #3: *Universal preschool in California will be similar to successful model preschool programs.*

In response to the decidedly mixed results of preschool, the proponents of Proposition 82 contend that the preschool program promoted in the initiative will mirror the more successful preschool experiments such as the program for low-income children in Chicago. However, the truth is that key elements of the Chicago program are not present in Prop. 82.

According to the major 2001 study of the Chicago Child-Parent Center program published in the *Journal of the American Medical Association*, seven important features characterize the Chicago program. Out of these seven, three are not included in Prop. 82: “3) a multi-faceted parent program that includes participating in activities in the parent resource room with other parents (e.g., educational workshops, reading groups, and craft projects), volunteering in the classroom, attending school events and field trips, and completing high school; 4) outreach activities including resource mobilization, home visitation, and enrollment of children; . . . 6) health and nutrition services, including health screening, speech therapy, and nursing and meal services . . .”²¹

The RAND study admits that critical features of the Chicago program “may differ from a universal program in California.”²² The authors tuck away this

admission in a footnote but the importance of these missing elements should warrant greater concern.

Critiquing the 2001 Chicago study, Dr. Matthew Thompson, a psychologist at Children's Hospital in New Orleans, asked whether the parental involvement component of the Chicago program was the most important factor in improving the outcomes of participating low-income children. If parental involvement was the most crucial factor, Thompson then noted, "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."²³ The relevance of this concern to Prop. 82 is obvious.

First, if parental involvement activities were driving the improved outcomes for children participating in the Chicago preschool program, rather than the preschool activities themselves, then the argument in favor of preschool implodes. Second, even if the preschool activities did affect children's future outcomes, the authors of the 2001 Chicago study acknowledge that one of the three essential mechanisms for ensuring future successful outcomes for children is the Chicago program's parental involvement component. There is no comparable component in Prop. 82, and that undermines supporters' use of the Chicago program's success as evidence that the initiative's proposed program will necessarily achieve similar results.

MYTH #4: *Higher teacher education requirements for preschool teachers will improve student achievement.*

Although the Chicago preschool program and several small studies found that low-income children benefited from preschool, other studies have found that large preschool programs like the federal Head Start have much more mixed results. For example, a 2001 study by a researcher at the U.S. Bureau

of Labor Statistics found that “Head Start participation does not have long-term benefits.”²⁴ However, Prop. 82 proponents argue that the preschool program envisioned in the initiative will be different than Head Start and other preschool programs by requiring better-qualified teachers. Recent studies from the University of California, however, dispute this claim.

At present, teachers in state preschools must have completed 40 units of college work (about a year and a quarter), with 24 of those units in early childhood education. For state-licensed preschools, including private preschools, teachers are required to have 12 units of early childhood education (about half a year of college). Under Prop. 82, all preschool teachers will eventually have to have a bachelor’s degree and a teaching credential in early childhood education. Also, although there are presently no education requirements for preschool teacher aides, under the initiative teacher aides would have to have 48 units of college (about a year and a half) and 24 units of early childhood education.

Initiative supporters argue that these new requirements will result in higher achievement levels for children attending preschool. They point to studies by Steven Barnett of the National Institute for Early Education Research, a well-known booster of universal preschool. According to Barnett, research data show that higher education requirements for preschool teachers result in higher quality instruction, which is tied to future student success.²⁵ However, a recent 2005 study by UC Berkeley researchers undercuts Barnett’s claim.

The researchers found that Barnett based his conclusions on studies that were seriously flawed, some suffering from tiny sample sizes. One study covered just 30 teachers and failed to control for the background attributes of teachers and the background of children in the programs.²⁶ Also, while these studies often found that teachers with BA degrees were more “sensitive” toward their students than teachers with lesser educations, one of the larger studies failed to find any link between teachers having a BA and higher student performance.²⁷

Indeed, the overall evidence is weak that higher teacher education requirements result in higher student achievement. A recent analysis of Georgia's universal preschool program found that whether a teacher had a BA in child development, a BA in some other field, or lesser training, made no difference in student performance across nine different measures of thinking and reasoning skills and social development. Students' family backgrounds and prior skill and knowledge proficiency were the key predictors of student performance, not teacher education levels.²⁸ Similar findings were produced from an analysis of New Jersey's preschool program.

For all the hype over the supposed effect of higher-trained preschool teachers on students, the truth remains that parents have a much greater effect on their children. A study by the National Institute of Child Health and Human Development found that the effect of caregivers, including teachers, on children's development was less than a quarter the effect of mothers' parenting practices.²⁹

Given all this evidence, the UC Berkeley researchers observe that "[c]laims that a Bachelor's degree further advances child development simply cannot be substantiated by studies conducted to date."³⁰

One thing that will result from increasing education requirements for preschool teachers is the cost of teacher salaries and benefits. Under Prop. 82, preschool teachers would have to be paid similarly to teachers in the local K-12 public schools, which means they would be paid union-scale wages. This mandate, which California's powerful public-sector unions pushed Reiner to include, would increase preschool personnel costs tremendously. Yet there would likely be little, if any, bang for the buck. As the UC Berkeley study notes, "To pay-out higher reimbursement rates based on the number of BA-credentialed teachers will be costly and may not yield significant benefits for children."³¹

MYTH #5: *There is no downside to exposing children to preschool.*

Proponents of Proposition 82 give the impression that only benefits flow from increased preschool attendance. The real picture, however, is not quite so black and white. Recent studies have found that preschool attendance is associated with a number of serious negative effects. A 2005 Stanford–UC Berkeley study is a case in point.

This study looked at data gathered from more than 14,000 kindergarten students, their parents, and teachers. In addition to measuring their language, reading, and math skills, the study evaluated the data on students' social and emotional development. Although the study reported short-term gains in academic, or cognitive, skills for students attending preschool, with the strongest gains among very low-income children, the news was much more disconcerting in the area of social development.

The study measured three areas of social development: “children’s externalizing behavior (such as aggression, bullying, acting up), interpersonal skills (such as sharing and cooperation), and self control in engaging in classroom tasks.”³² According to the study’s authors, “[w]e find that attendance in preschool centers, even for short periods of time each week, hinders the rate at which young children develop social skills and display the motivation to engage in classroom tasks, as reported by kindergarten teachers.”³³ The study notes especially that “[t]his slowing of typical rates of social-emotional growth is particularly strong for black children and for children from the poorest families.”³⁴

The study ends with a couple of questions: “How to remedy this detrimental effect on social development stemming from exposure to preschool centers is a question that researchers and policy makers might tackle more urgently. Whether this slowing of emotional and behavioral development is endemic to larger group settings, or can be remedied through quality improvements, remains a pivotal question.”³⁵

Prop. 82 does nothing to answer these questions, which should make one wonder why Californians would rush headlong into a preschool experiment that could result in serious negative social effects on their children.

MYTH #6: *One year of preschool is necessary to achieve the best results for children.*

Even if one assumes, for the sake of argument, that preschool benefits all children, a key question remains. How much preschool is needed to make children ready for kindergarten and subsequent grades? Proposition 82 says the answer is one year of government-run preschool for all four-year-olds. Yet, the fact is that there is a much less expensive promising five-week preschool program that has already been operating for two years in California.

Ready to Start is a five-week preschool program held in the summer before children begin kindergarten. The program uses certificated teachers, teacher aides, and classroom coaches, and makes use of existing facilities. As opposed to approximately \$8,000 per child allocated under Prop. 82, Ready to Start carries a price tag of only \$350 per child. The program, which has operated in the Greenfield and Rosedale school districts in Kern County, is a partnership between local businesses, education agencies, and colleges. It uses existing school facilities and provides a structured academic experience for children.

Under Ready to Start, teachers use a structured curriculum, and children's academic skills are evaluated against established standards. When the program was initiated in June 2004, there were 140 students in the program. Children are tested on 21 key reading, math, and social skills before entering the program and also at the end.

In the Greenfield school district, the test scores of Ready to Start students were compared with a control group of district students who did not attend any preschool. On average, the scores of the Ready to Start students were

approximately 30 percent higher. After one semester of kindergarten, the Ready to Start children continued to perform better than the students in the control group. In the Rosedale school district, follow-up testing showed that students from the Ready to Start program performed as well or better than other kindergartners, nine out of 10 of whom had some type of preschool experience.

The short-term success for the five-week program is similar to the short-term successes claimed by the Reiner camp for year-long preschool. According to one local education official, “We can do something in five weeks at lower cost than programs that take longer and cost more money.”

It is important to remember, however, that like Reiner’s program, there is no guarantee that the positive effects of Ready to Start will last throughout the academic careers of children from different income groups. For this reason, the operators of Ready to Start will track children who participated in the program through elementary and middle school in order to measure the long-term effects of their participation.

If there is uncertainty about the long-term positive effects of any type of preschool program, and if shorter and cheaper programs seem equally promising, then Prop. 82 looks more like a high-risk white elephant.

MYTH #7: *Low-income minority children need to attend preschool to succeed.*

By constantly pointing to the Chicago Child-Parent Center program and other preschool programs geared to low-income children, the Reiner camp implicitly argues that low-income minority children must have preschool in order to succeed. Yet, a look at the education landscape shows that there are public K-12 schools that are succeeding in raising the achievement of low-income minority students who have never attended preschool.

At Sixth Street Prep public charter school in Victorville, California, the student body is overwhelmingly composed of poor immigrant Hispanics, many of them new arrivals. These are children who never attended preschool either in the United States or their country of origin. However, the test scores of children at the school have improved greatly. Principal Linda Mikels says that her students are succeeding because of the proven curricula and methods used at the school.³⁶

For instance, teachers at Sixth Street use a structured direct instruction teaching method. Under direct instruction, teachers explain exactly what students are expected to learn and demonstrate the steps needed to accomplish a particular academic task. Direct instruction is usually characterized by: 1) setting clear goals for students and making sure students understand the goals; 2) presenting a sequence of well-organized assignments; 3) giving students clear, concise explanations and illustrations of the subject matter; 4) asking frequent questions to see if students understand the material; and 5) giving students frequent opportunities to practice what they have learned.

The school, therefore, uses a system of skill assessments that emphasize repeated practice. Also, the adopted curricula continuously reinforce skills that have been previously taught.

Mikels says that direct instruction was adopted because of the research that supports its effectiveness in raising student achievement, especially among low-socio-economic students. Indeed, a wide range of studies by the federal government and university and independent researchers have found that direct instruction teaching methods are effective in improving student achievement.

American Indian Public Charter School in Oakland, California, is an all-minority middle school located in a tough low-income neighborhood. Most of the children at the school have never been to preschool. Yet, American Indian is the highest performing middle school in Oakland and on track to surpass the performance of middle schools in the affluent suburbs.

The school emphasizes high teacher quality by recruiting Ivy League college graduates and professionals to teach using the school's non-union status to pay teachers more than union-scale salaries and paying school-wide bonuses to staff based on improvements in student test scores. Unlike Reiner's belief in the importance of teachers having a teaching credential from a university school of education, American Indian principal Ben Chavis declares, "A credential doesn't equal quality." Not mincing words, Chavis believes that the teaching methods promoted at schools of education are extremely ineffective: "The problem is that they're all b.s., to be honest with you." He says, "I've come to the conclusion that whatever a college of education says . . . I do the opposite."

American Indian maintains high expectations for its students, requiring tough courses and using challenging textbooks. Student test and assessment scores are used as diagnostic tools to spot student weaknesses and focus interventions. The result is a low-income minority student body noted for its academic achievement, including startling numbers who are selected for elite programs such as Johns Hopkins University's national talent search program.

These low-income minority schools, plus other successful regular public schools such as the high-achieving elementary schools in Inglewood, California, are able to raise the achievement of low socioeconomic children without the supposed benefit of preschool. Their example collapses the argument that only preschool can guarantee improved academic and life achievements for low-income children.

MYTH #8: *High preschool participation is the reason why students in other countries outperform students in America.*

It is no secret that in core subjects such as math, students in the United States lag behind their counterparts in many industrialized countries. There are a variety of reasons for this unforgivable situation. Universal preschool supporters, however, claim that the wide availability of preschool in other

countries explains much of this achievement gap. The empirical data disprove this simple correlation.

The RAND study observes that European countries such as France, the United Kingdom, and Italy fund preschool programs for most four-year-olds. RAND says that compared with other countries, “U.S. students and adults do not score well on tests of school achievement and workplace literacy, and disparities in U.S. scores are wider than in most other countries.”³⁷ RAND then makes the purely speculative argument that, “A connection between sub-par, widely dispersed test results and less-than universal early education is at least plausible.”

The study makes the further leap to say that if California implements a universal preschool program it “could help the state boost education and skill levels so that it remains competitive in the international economy.”³⁸ A 2005 study by the Arizona-based Goldwater Institute, however, actually examined international student achievement data and came to a very different conclusion.

In France, all three- and four-year-olds attend center-based preschool. The Goldwater Institute notes that if early education programs were necessary for student success in ensuing years, European students should score better than U.S. students, especially in the early grades. Yet, according to the Goldwater study, “test scores reveal that U.S. students routinely outperform their international counterparts in reading, math and science in fourth grade—the earliest year for which comparative test scores are available.”³⁹ In particular, “U.S. fourth graders demonstrate significantly better reading literacy skills than their French peers.”⁴⁰

Further, Goldwater found U.S. fourth graders not only scored better than the international fourth-grade average, U.S. students “outperform their counterparts in 26 of the 35 countries participating in the literacy exam, including Germany and Italy, which have [preschool] enrollment rates similar to France.”⁴¹

According to Goldwater, only in later grades do U.S. students start to lag behind their international peers.⁴² The better inference, then, is not that U.S. students are underperforming because of a lack of preschool education, but rather that something negative at the middle-school level is depressing student achievement.

The Goldwater Institute study comes to an empirically supportable conclusion: “Whatever the cause of [U.S. achievement] decline, however, it appears to have little or nothing to do with a lack of preparation in the early years.”⁴³

MYTH #9: *The best way to pay for government-run universal preschool is to increase the tax rate on high-income earners through the initiative process.*

By writing into the state constitution yet another funding mandate, Proposition 82 would create hard-to-reverse ballot-box budgeting and undercut funding for other public priorities. Prop. 82 would raise the state income tax rate by 1.7 percent—up from 9.3 percent to 11 percent. *Los Angeles Times* columnist George Skelton notes that this is actually an 18 percent increase from the current rate.⁴⁴

Personal income tax now accounts for more than 50 percent of the state’s General Fund. With only 11 percent of California’s top earners paying 73 percent of this tax, raising the personal income tax rate on these taxpayers could result in unexpected and adverse outcomes.

These residents who pay the lion’s share of the state’s taxes have the greatest discretion on their investments and may seek to defer the amount of actual income they receive for tax purposes by, say, leaving more earnings in corporate accounts or stocks. Worse, they may look to move to states with no state income tax, such as Nevada, Washington, and Texas. Prop. 82 asks voters to pass the buck for a government-run universal preschool program to a targeted, small group of Californians who may respond by fleeing the state or reducing their amount of reportable taxable income.

William Hamm, the former state legislative analyst retained by the anti-Prop. 82 campaign, estimates that because of the likely actions of high-income earners in response to the higher state income tax, the state's General Fund would actually *lose* revenues. He estimates that between 2007 and 2011, the General Fund will sustain an average total loss of \$4.2 billion in revenues. Because of the funding formulas contained in Prop. 98, the voter-approved initiative that guides education funding in California, Hamm says that a drop in the growth of General Fund revenues would end up reducing public K-12 minimum funding. Between 2008–09 and 2011–12, the average total loss of Prop. 98 revenues would be nearly \$1.5 billion.⁴⁵

Hamm's estimates are certainly plausible given the fiscal effects felt by the state in the early 1990s after then-Governor Pete Wilson and the Legislature raised the personal income tax on high-income earners and hiked the sales tax. Total General Fund revenues *dropped* by about \$1 billion each of the first two years after these tax increases. Gaping deficits eventually caused the state to go into *de facto* receivership in 1994.⁴⁶

A tax on high-income earners also targets small business owners. According to the California Taxpayer's Association, half of business income taxes are paid through personal income tax. By raising taxes on these small business owners, the state would be discouraging their expansion, diminishing prospects for further job creation in the state, and encouraging them to move out of California.

Embedding the program into the constitution through the initiative process also ensures that any future changes will be difficult. If this particular vision of universal preschool embraced by Prop. 82 turns out not to be the best approach or turns out not to offer the anticipated benefits, taxpayers will, nonetheless, be stuck paying for it for many years to come.

Squeezing these very last remaining dollars out of the state's top taxpayers means that it will be nearly impossible to extract any more money from this

group for any other state priorities. Thus, the state's last pot of money will be locked into subsidizing middle- and upper-class families who would otherwise pay for their own childcare. Indeed, nearly one-fourth of Prop. 82 funds would subsidize families with incomes of \$100,000 or more, and three-quarters of the funding would go to children who would have attended preschool even without the initiative. As State Senate president pro tem Don Perata notes, "It looks to me like it's really a boon to middle- and upper-class families."⁴⁷

Veteran *Sacramento Bee* political columnist Dan Walters observes: "California is already dangerously dependent on personal income taxes, which can rise and fall like a yo-yo, depending on what's happening in the financial markets. We have, however, increasingly locked up the spending side of the public ledger, making it very difficult to reduce appropriations when revenue slides." Prop. 82's fiscal faults, warns Walters, could make the current bad situation much worse: "Making another big program dependent on income taxes increases the risk that California will remain insolvent for many years to come, even if the rich don't flee to tax havens. It's skating on very thin fiscal ice."⁴⁸

MYTH #10: *The cost of government-run universal preschool will be affordable.*

It is likely that Proposition 82 will cost much more than the anticipated \$2.4 billion per year that the measure seeks to raise through a tax increase on the rich. When that happens, the Legislature will have to levy more taxes to meet the funding gap. For an example of how this could happen, California should look to the Canadian province of Quebec.

As Shikha Dalmia and Lisa Snell of the Reason Foundation have pointed out, the arguments made by proponents of Prop. 82 are identical to those put forth eight years ago in Quebec. The program was estimated to cost \$230 million over five years. Today it costs \$1.7 billion every year—33 times the original estimate.⁴⁹

Cost-increase pressure created by the program itself, and the tendency for government bureaucracies to soak up more money each year, all helped to drive up the cost. Similarly, Prop. 82 seeks to introduce a huge government bureaucracy to oversee new rules and regulations that will inevitably push up costs and make childcare even less affordable.

Dalmia and Snell note that the daycare-workers' union in Quebec, "on threat of strike, negotiated a 40 percent increase in wages over four years."⁵⁰ Costs like these gobbled up the funds that should have gone to expanding access or improving quality.

In Prop. 82, teachers unions successfully lobbied to have preschool teachers paid according to union-negotiated school-district collective bargaining contracts. This means that private preschool programs that accept any funds from the initiative will be bound to pay wages on a scale negotiated through a mandatory collective bargaining process. All of this will serve to drive up the cost of preschool education, not to mention take decision-making out of the hands of the local community, just as it has in the K-12 education system.

Another cautionary note from Quebec is that the artificially low cost of day care for parents caused a high surge in demand, while at the same time running private preschools out of business. In California, private community-based preschools currently enroll nearly half of all children in preschool, and 70 percent of all preschools in California are currently in the private sector. These centers are almost all non-unionized small businesses run by middle- and low-income women.

If these providers elect to participate in Prop. 82 funding, they are automatically bound by not only the state's collective bargaining rules but also by cumbersome teacher certification rules and teaching requirements. For these private programs, it's a catch-22: accept funding and accept government and union meddling, or refuse funding and risk being driven out of business by fully subsidized government programs.

Conclusion | Out of Bullets

The case for government-run universal preschool is based on selective, limited, and nonexistent evidence. What evidence there is argues for targeted pilot or demonstration programs that have research components attached to determine whether the programs are actually producing better student outcomes both in the short and long terms. Given the empirical holes that exist in the evidence for universal preschool, it would seem premature in the extreme to entrench an untested expensive program, run by poorly performing government bureaucracies, into the state constitution. In addition to the empirical questions concerning Proposition 82 an even larger philosophical question hangs over the initiative.

Should parents cede control over their children to the government at increasingly younger ages? Government-run public schools are becoming more and more politicized, tainted by the strong biases of the adults who run the system. Prop. 82 would allow these biases to affect very young children at a time when parents, not government employees, should be most responsible for their development.

At this time, California has a decentralized system that gives parents choices about what type of preschool, if any, they want their children to attend. Despite its claim to being voluntary, Prop. 82 would create an expansive government preschool system that will drive out many private preschool providers. Limiting parental choices and increasing government control over very young children is a disturbing prospect. A key benchmark for judging new proposals is whether they empower parents, not government. That is a benchmark that Prop. 82, the Reiner initiative, fails to meet, but it is by no means its only failure.

California's system of public education is indeed broken, but Prop. 82 is not the magic bullet to fix it. This financially dubious measure, fatally flawed in

the view of former supporters, would create a new, expensive, and untested government-run preschool program, complete with expanded bureaucracy and regulation. There is a better way to fix the system and truly help California's children. Take a hard look at successful K-12 school models, replicate these models throughout the existing system, and offer increased options for parental choice such as more charter schools.

Endnotes

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About the Authors

Lance T. Izumi

Director, Education Studies; Senior Fellow in California Studies

Lance T. Izumi is Senior Fellow in California Studies and Director of Education Studies at the Pacific Research Institute for Public Policy (PRI), California's premier free-market public-policy think tank based in San Francisco. He is the co-author of the book *Free to Learn: Lessons from Model Charter Schools* (Pacific Research Institute, 2005). He is the author of several major PRI studies, including the "California Education Report Card: Index of Leading Education Indicators" (1997, 2000 and 2003 editions), "Developing and Implementing Academic Standards" (1999), "Facing the Classroom Challenge: Teacher Quality and Teacher Training in California's Schools of Education" (2001), and "They Have Overcome: High-Poverty, High-Performing Schools in California" (2002) and "Putting Education to the Test: A Value-Added Model for California" (2004).

In 2004, Governor Arnold Schwarzenegger appointed Mr. Izumi as a member of the Board of Governors of the California Community Colleges. In 2005, the California State Senate confirmed Mr. Izumi to this position by unanimous 34-0 vote. Mr. Izumi serves as the chair of the Board's economic development and vocational education committee. He is also the Board's representative to the California Post-secondary Education Commission. In 2003, United States secretary of education Rod Paige appointed Mr. Izumi to the Teacher Assistance Corps, a task force of experts assigned to review state teacher quality plans as they relate to the federal No Child Left Behind Act. He also served as a member of the Professional Development Working Group of the California Legislature's Joint Committee to Develop a Master Plan for Education.

Mr. Izumi is the co-editor of two books: *Teacher Quality* (Hoover Institution Press and Pacific Research Institute, 2002) and *School Reform: The Critical Issues* (Hoover Institution Press and Pacific Research Institute, 2001). He is the chapter co-author of "Fixing Failing Schools in California" in *Within Our Reach* (Rowman and Littlefield, 2005) and "State Accountability Systems" in *School Accountability* (Hoover Institution Press, 2002).

Mr. Izumi is a former visiting fellow in education studies at the London-based Institute for Economic Affairs. He has also served as a consultant on welfare reform to the California Department of Social Services, a consultant on juvenile crime to the Governor's Office of Criminal Justice Planning, and as co-chair of the governor's competitiveness task force on juvenile justice education reform.

For ten years, Mr. Izumi was a regular contributor to the "Perspectives" opinion series on KQED-FM, the National Public Radio affiliate in San Francisco. His articles have been published in the *Notre Dame Journal of Law, Ethics and Public Policy*, *Harvard Asian American Policy Review*, *National Review*, *Wall Street Journal Europe*, *Sunday Times* (of London), *Los Angeles Times*, *Investor's Business Daily*, *San Francisco Chronicle*, *California Journal*, *Los Angeles Daily News*, *San Diego Union-Tribune*, *Los Angeles Daily Journal*, *Orange County Register*, *Sacramento Bee*, *San Francisco Daily Journal*, and many other publications

Prior to going into the think-tank world, Mr. Izumi served as chief speechwriter and director of writing and research for California Governor George Deukmejian. He also served in the Reagan administration as speechwriter to United States Attorney General Edwin Meese III.

Mr. Izumi received his juris doctorate from the University of Southern California School of Law and his master of arts in political science from the University of California at Davis. He received his bachelor of arts in economics and history from the University of California at Los Angeles.

Xiaochin Claire Yan

Education Studies; Public Policy Fellow

Xiaochin Claire Yan is a public policy fellow in education studies. She is the co-author of the book *Free to Learn: Lessons from Model Charter Schools* (Pacific Research Institute, 2005). Before joining PRI, she was an editor at Regnery Publishing, a nonfiction, politics/current affairs publishing house in Washington, D.C.

She has also worked at the editorial page of *The Wall Street Journal* in Asia, based in Hong Kong. She has written editorials on education in Southeast Asia, free trade in ASEAN, and democracy and politics in China and Taiwan. In addition, Ms. Yan was a Collegiate Network journalism fellow and a contributing editor to *Choosing the Right College: A Guide to America's Colleges* published by ISI Books.

Ms. Yan is a Los Angeles native and a graduate of Princeton University, with a degree in politics and international relations.

About the Pacific Research Institute

The Pacific Research Institute champions freedom, opportunity, and personal responsibility by advancing free-market policy solutions. It provides practical solutions for the policy issues that impact the daily lives of all Americans. And it demonstrates why the free market is more effective than the government at providing the important results we all seek – good schools, quality health care, a clean environment, and economic growth.

Founded in 1979 and based in San Francisco, PRI is a non-profit, non-partisan organization supported by private contributions. Its activities include publications, public events, media commentary, community leadership, legislative testimony, and academic outreach.

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