Proposition 82— California's 'Preschool for All' Initiative

Issues, Evidence, and Resources

PACE

Proposition 82 would provide at least $23 billion over the coming decade to enroll about 70 percent of the state's four year-olds in half-day preschool programs at no direct cost to parents.[1]

This brief sketches what's known about California's existing network of preschool centers, which children benefit, and the key issues prompted by Proposition 82. PACE's role—as an independent research center—is to clarify relevant evidence which informs education policy options. We published in 2005 a review of enrollment patterns and policy options related to equalizing access to, and improving the quality of, local preschools.[2]

■ *What's the scope and character of California's current network of preschool options?*

The state's count of four year-olds numbered about 523,000 in 2005. Between 62 and 65 percent of these children currently attend a preschool center, depending on which federal data source is used. Thus just over 334,000 four year-olds attend a preschool center (of variable quality), assuming a present enrollment rate of 64 percent.[3]

Among four year-olds in preschool we know that about 141,000 attended a subsidized Head Start or state-funded center in fall, 2004.[4] The remaining three-fifths, about 193,000 preschoolers, attended nonprofit or for-profit centers mainly financed through parental fees.[5] A key question is whether these community-based preschools would survive in neighborhoods where public schools open free preschools, as Proposition 82 dollars flow down through county education offices.

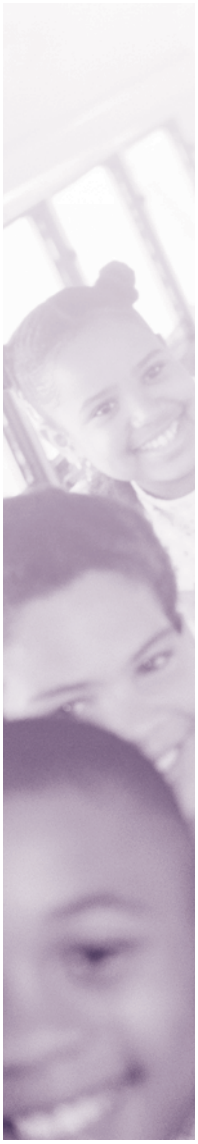
The number of preschool enrollment slots varies across California's counties, ranging from 28 slots in San Francisco for every 100 children who are 0-5 years of age, for example, to just 11 slots per capita in Riverside County.[6] We will return to whether Proposition 82 would address this disparity.

■ *Which children benefit from exposure to preschool, with what magnitude, and over what period of time?*

Two lines of research have evolved to inform this question. Child development scholars began in the 1960s to follow children who had attended small, carefully controlled preschools. The Perry Preschool experiment is the best known of these "boutique programs." It yielded sustained effects for the roughly half of the 123 poor black children randomly assigned to this high-quality parent training and preschool effort. The other half were randomly selected for the control group, and few of these children attended any form of organized child care.[7]

It's risky to generalize from such small experiments. The Perry program cost between two and four times what universal preschool is costing in the pioneering states (such as, Georgia and Oklahoma, in current dollars). Perry staff worked with parents. They did not bank solely on the classroom intervention. And the Perry control group parents faced few other child care options in the 1960's, a rarity in contemporary times when over two-thirds of all four year-olds enter a preschool center nationwide.

A second research strategy is to follow large samples of four year-olds through preschool centers and into elementary school. One study, conducted by University of California researchers, funded by the Packard Foundation, found significant benefits for poor kindergarteners statewide and, at lower magnitudes, for middle-class children attending preschool centers (2004). These short-term benefits were found to be stronger for children who entered preschool at age three rather than age four.[8]



Yet two investigations—one from UC Santa Barbara (2006) and the second from the University of Wisconsin (2004), each based on the family sample drawn for the federal Early Childhood Longitudinal Study (ECLS)—found that the cognitive benefits observed in kindergarten largely fade-out by third grade. Positive benefits in terms of lower grade repetition and fewer children referred to special education services do appear to persist in elementary school at small levels.[9]

These findings are consistent with the diminishing child effects observed by researchers at the National Institute for Child Health and Human Development (NICHD).[10] This national research effort continues to track over 800 children, studied since birth and followed through various forms of child care. In addition, Santa Barbara economist Russell Rumberger and Wisconsin researcher Katherine Magnuson both found that cognitive benefits are sustained at modest levels for children from low-income families when they are able to enter higher quality elementary schools.

Both research teams conclude that children spending long hours in preschool centers display slower rates of social development, compared with children who spend more time at home, although this negative effect diminishes somewhat by third grade as well.

This second line of research is criticized by advocates of universal preschool who argue that the magnitude of the preschool's effects will climb as quality improves.

University of North Carolina economist David Blau warns, however, that quality investments must be targeted on what works (2001). Young children appear to benefit modestly when their preschool teacher receives specialized preservice training in child development (but not a bachelor's degree) and from recent and intensive inservice training.[11]

Evaluations of state preschool programs that require higher levels of teacher preparation show mixed short-term effects. In Tulsa, Oklahoma kindergarteners exposed to higher quality preschool showed strong cognitive gains among poor and working-class children (2005).[12] But Georgia's program has shown no differences in terms of stronger child development, compared with youngsters attending other kinds of preschools, mainly nonprofit centers (2003).[13]

■ *Do certain types of preschools yield stronger benefits for young children?*

Proposition 82 aims to distribute about $2.3 billion annually to county education offices to support free preschool. County school boards could then contract with school districts or community organizations to provide preschool slots.

Some concern exists over whether county offices would feel pressure from school district leaders and teacher unions to move funding mainly to the public schools, despite the fact that at least two-thirds of children currently are served by community programs.

This would play out differently across counties. Merced County, for example, presently excludes nonprofit community agencies from its universal preschool program, whereas Los Angeles and San Francisco have endorsed an inclusive, mixed-market approach, expanding preschool through a variety of nonprofit- and school-based programs.

Proposition 82 includes disincentives for community organizations to participate. They could only lease facilities required to create new enrollment slots, whereas school districts could use "Reiner dollars" to build and own new buildings. If teachers in community-based programs decided to join labor unions—helpful in boosting the low wages found in many preschools—community agencies would face additional costs.

Initial studies in Georgia and New Jersey—following children over a two-year period—found no differences in the developmental trajectories of children attending preschools hosted by public schools versus community agencies (2001).[14] This may not be surprising since both sets of programs operate under the same quality standards set by state agencies.

A new analysis from Georgia's universal program—following children into the third grade—shows that children who attend community-based preschools display stronger language development and lower rates of grade retention, compared with children attending preschools situated in the public schools (2006).[15]

This may be due to the ability of younger or more effective teachers to move into community programs with fewer regulatory hurdles, compared with teachers entering preschool employment via the public schools.

■ ***What are the benefits and risks associated with Sacramento exerting stronger control over preschools?***

Georgia and New Jersey have set uniform quality standards, simplified how parents gain access to local programs, and strengthened preschool finance. In New Jersey, the state education department has led these reforms, similar to the governance arrangement contained in Proposition 82. In Georgia, a separate agency was created to manage the universal preschool program, establishing independence from the public schools.

State enforcement of quality standards may benefit young children—if the quality indicators selected are empirically related to children's development. But the expensive idea of moving all preschool teachers to bachelor's degrees, mandated by Proposition 82, has received little empirical backing.

In Georgia, children's cognitive growth does not differ between those youngsters attending classrooms with teachers holding a two-year versus a four-year degree. Neither the NICHD research team, nor a longitudinal study of children graduating from Head Start preschools, found any additional benefit from moving teachers to a bachelor's degree (2005).[16] Yet the quality and stability of the teaching force is unlikely to climb until wage levels rise, and wages often are pegged to credentials.

One concern with Proposition 82 is that all participating preschools—whether situated in community organizations, churches, or schools—would be required to install a formal curriculum that is "aligned with statewide academic standards for elementary education."

The state education department is currently testing multifaceted quality benchmarks for preschool centers (known as the *Desired Results* measures).[17] Proposition 82 instead would require a move toward "content standards," emphasizing academic knowledge that's linked to standardized tests given in the elementary grades. This may reshape the balance of learning aims, ranging from pre-literacy to social and emotional development.

Another classroom issue is whether Proposition 82 might invoke, for preschoolers, the English-immersion mandate enforced by Proposition 227, approved by the voters in 1998. It allows school authorities to provide one year of bilingual instruction before English-only teaching is required. Preschools funded under the Reiner initiative would clearly become units of the public school system. And Proposition 82 would require that four year-old English learners are "making progress toward learning the English language."

■ ***Which children and families will likely benefit from Proposition 82 if approved by the voters?***

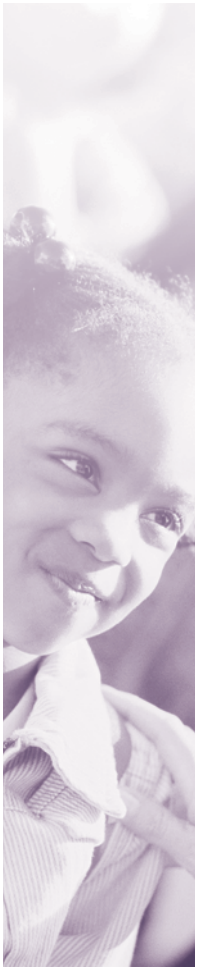
Three streams of benefits would flow to parents and children. First, the expansion of preschool slots could benefit children who would otherwise not be enrolled. The overall preschool enrollment rate is expected to move from the current level of about 64 percent to between 70 and 80 percent of all four year-olds, according to the legislature's independent budget analyst and RAND researchers.[18] Enrollment rates in Georgia and Oklahoma are topping-out just below 70 percent.

Among the one-fourth of the state's children with the highest "risk factors," RAND researchers Lynn Karoly and James Bigelow estimate that one in five would gain access to preschool for the first time under Proposition 82 funding, a 20 percent gain in enrollment (2005).[19] Other poor children would already be enrolled, or their parents would opt for another form of child care. About 52 percent of the state's four year-olds from the lowest quartile of socioeconomic status already attend a preschool center, according to the federal ECLS data.

Focusing on roughly the upper half of the family-income distribution, the enrollment rate for these children would rise by about 13 percent, according to the RAND analysis. The larger effect would be a shift from community-based preschools, most currently charging fees, to public programs offered free of charge.

This substitution of public monies for fees currently paid by parents represents a second stream of benefits, disproportionately allocated to affluent families. Cost estimates for the half-day program specified in Proposition 82 vary from about $5,200 to $6,100 per year in 2005 dollars.[20] This represents the maximum monetary benefit enjoyed by a family which currently pays this amount in fees for preschool. This could benefit a large number of families, some of whom can afford to pay for preschool. Among the state's 176,000 four year-olds in families falling in the top third of the income distribution, over 76 percent are currently enrolled in a preschool center.[21]

The third stream of benefits pertains to quality improvements felt by children currently attending preschool centers not meeting the standards contained in Proposition 82. This would include a wide range of centers located in diverse communities.



One concern—stemming from California's experience with reducing class sizes in kindergarten through third grade—is that affluent communities would likely implement Proposition 82 more rapidly than poor communities. Schools and nonprofit preschools in better-off neighborhoods would more likely attract teachers with bachelor's degrees, compared with those in low-income areas.

Proposition 82 would require the superintendent of public instruction to set "a uniform statewide per child allocation rate." This allocation device would not take into account variability in the developmental needs of different children. It's unclear whether this finance provision might face a legal challenge, since it would not be adjusted for a school district's wealth (under *Serrano v. Priest*), even though the initiative aims to make preschool a regular element of public schooling.

Disbursements to each county would be "based on the number of preschool-eligible children in the county". Given that preschool enrollment rates vary substantially among counties, jurisdictions with high enrollment rates could concentrate on quality improvement, whereas others would be creating new enrollment slots simply to achieve parity with leading counties. Without any kind of equalization mechanism to adjust for preexisting conditions, the uniform pay-out could reinforce unequal education opportunities tied to where families happen to live.

The uniform per-child allocation would not necessarily be sensitive to students with disabilities. Given that preschools would become part of the public school system, federal special education mandates and resulting costs would likely kick-in.

The initiative does not require counties to focus new dollars on those families facing the greatest scarcities of preschool slots. Permissive language appears in Proposition 82 which asks counties to focus resources on children bound for low-performing schools. But counties would not be required to do so.

PACE has published several studies related to the supply and quality of preschool centers, along with other child care options, in California. One analysis of issues prompted by Proposition 82 appears at: http://pace.berkeley.edu/wp.05_1.web.revised.pdf. This brief may be freely reproduced. It appears on pace.berkeley.edu.

Endnotes

[1] The text of Proposition 82 appears on the California Secretary of State's website: http://www.ss.ca.gov/elections/elections_j.htm#2006Primary.

[2] These data are detailed in the recent PACE working paper: Expanding and Improving Preschool in California: Ideals, Evidence, and Policy Options. It's available on the web [http://pace.berkeley.edu/wp.05_1.web.revised.pdf] or in hardcopy by emailing Allison Chen at pace@berkeley.edu.

[3] PACE estimated the percentage of California four year-olds already attending preschool centers at 62 percent, based on federal ECLS-K data collected in 1999. RAND researchers pegged the enrollment rate at 65 percent, drawing on a second, more recent federal data source [http://www.rand.org/pubs/monographs/MG349/index.html].

[4] Head Start enrollments in California currently equal about 58,700. State-funded center programs served 82,040 four year-olds in October, 2004. This includes state preschool, general child care (kids in centers), and vouchers allocated to parents using centers. Special thanks to the Child Development Division, California Department of Education for their updated figures.

[5] PACE estimates from the federal ECLS-K data. Analysis by Margaret Bridges and colleagues: http://pace.berkeley.edu/PB.04-3.PRESCHOOL.web.pdf.

[6] Analysis by PACE researchers in collaboration with the California Child Care Resource and Referral Network: http://pace.berkeley.edu/policy_brief_02-2.pdf.

[7] Lawrence Schweinhart, "The High/Scope Perry Preschool study through age 40" (Ypsilanti, MI: High/Scope Educational Research Foundation, 2005). On the web: http://www.highscope.org/Research/PerryProject/perrymain.htm.

[8] Conducted by a research team at UC Berkeley and UC Santa Barbara, based on the California subsample of the federal ECLS-K longitudinal data: http://pace.berkeley.edu/PB.04-3.PRESCHOOL.web.pdf. Similar findings for the full national sample were reported in fall 2005 by Stanford economist Susanna Loeb and colleagues, forthcoming in the *Economics of Education Review* [also on the Web: http://pace.berkeley.edu/Stanford_Berkeley_pr23DA13.doc].

[9] The UC Santa Barbara study was coauthored by Russell Rumberger and Loan Tran, and can be found at: http://lmri.ucsb.edu/publications/06_rumberger-tran.pdf. The University of Wisconsin analysis was conducted by Katherine Magnuson, Christopher Ruhm, and Jane Waldfogel, and published by the National Bureau of Economic Research: http://www.nber.org/digest/mar05/w10452.html.

[10] http://secc.rti.org/abstracts.cfm?abstract=79. A review of this recent NICHD paper appears in: http://select.nytimes.com/gst/abstract.html?res=F30B13F9345B0C728CDDA80994DD404482.

[11] David Blau, *The Child Care Problem: An Economic Analysis* (New York: Russell Sage Foundation, 2001).

[12] One journal article stemming from this evaluation, led by William Gormley, Jr. and Deborah Phillips, appears in: http://content.apa.org/journals/dev/41/6.

[13] The Georgia evaluation, led by Gary Henry, has resulted in several published articles: http://aysps.gsu.edu/publications/2003/pre-k.htm.

[14] These findings are detailed in the spring 2005 PACE working paper: http://pace.berkeley.edu/wp.05_1.web.revised.pdf.

[15] Gary T. Henry and Craig S. Gordon, "Competition in the sandbox: A test of the effects of preschool competition on educational outcomes," *Journal of Policy Analysis and Management,* 25, 2006, 97-127.

[16] A thorough review of the evidence on the bachelor's degree issue appears in section 4 of the earlier PACE report: : http://pace.berkeley.edu/wp.05_1.web.revised.pdf. The recent findings pertaining to credential levels of Head Start teachers stem from a study by Columbia University economists Janet Currie and Matthew Neidell: http://www.econ.ucla.edu/people/papers/currie/more/matthdst_n04.pdf.

[17] For a review of the California Department of Education's current effort: http://www.cde.ca.gov/sp/cd/ci/desiredresults.asp.

[18] Office of the Legislative Analyst, Review of the 'Preschool for All Act,' in a letter to the Attorney General (Sacramento, July 28, 2005).

[19] The RAND report: http://www.rand.org/pubs/monographs/MG349/index.html.

[20] The RAND report includes an analysis of per child costs for a half-day preschool program, based on differing assumptions: http://www.rand.org/pubs/monographs/MG349/index.html.

[21] From the earlier PACE analysis of the federal ECLS data: http://pace.berkeley.edu/PB.04-3.PRESCHOOL.web.pdf.