



The Good and The Bad of Preschool Programs

by Amy K. Frantz

Governor Vilsack has called on the Iowa Legislature to provide more funding for child care and preschool programs this year. When signing legislation in June 2005 that provided an additional \$21.5 million in funding for such programs, the Governor stated, “It’s a start. It’s by no means finished,” and “until every child is helped, we’ve got work to do.”¹ Perhaps he envisions a massive government-controlled preschool program attended by every child in Iowa that he can point to as a “success” when he runs for President. Additional preschool funding is “for the kids” so any Legislator who dares vote against such a plan will likely be portrayed as anti-child in the next election, almost ensuring the passage of at least some additional funding this year. But if the government must become more involved in preschool, a look at preschool programs or proposals in other states should be instructive.

Five years ago, the Pennsylvania Legislature and then-Governor Tom Ridge enacted an Educational Improvement Tax Credit (EITC) program, allowing companies to contribute to scholarship organizations or educational improvement programs in exchange for tax credits ranging from 75 to 90 percent of the contribution. The EITC program was originally capped at \$30 million, but due to its popularity has been increased twice, and the cap on tax credits is set at \$44 million for the current fiscal year.²

In 2003 the Pennsylvania Legislature added pre-K scholarships to the EITC program, and to date 50 pre-K scholarship organizations have been created thanks to the EITC. The entire EITC program has been embraced by the state’s business community, with the “cap on the scholarship portion of the EITC program . . . reached in 70 days last year, [and the cap on] the educational improvement portion . . . reached in one day.”³

Governor Vilsack announced his push for more preschool funding before the Iowa Business Council — supporters of his initiative. A program similar to Pennsylvania’s EITC program would allow businesses to show their support for preschool and educational programs while receiving an additional benefit in the form of tax credits.

In Florida, voters in 2002 approved a Constitutional Amendment requiring a free, universal pre-K program for all four-year-olds in Florida. The pre-K program was initially implemented this fall. However, the Florida Legislature and Governor Bush recognized that government-run schools “lacked the space and facilities to accommodate the expected number of students.”⁴ Instead of funding a massive expansion of government-run schools, Florida’s program allows parents to choose a public, private, or faith-based provider for their child’s preschool. Private providers receive about \$2,500 per student per year to provide roughly three hours per day of pre-K instruction. The nation will be watching Florida to gauge the success or failure of this new program.

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Finally, California voters will vote up or down on the “Preschool for All” ballot initiative in June 2006. This initiative raises \$2.5 billion via a tax increase on individuals earning over \$400,000 to fund free preschool programs for all California four-year-olds. This amount would be in addition to the \$3 billion California currently spends on subsidized preschool for low-income children. The California proposal states that the Preschool for All programs will be administered by county superintendents of schools. The initiative also adds numerous additional restrictions and regulations on pre-K programs, such as subjecting all preschool providers to collective bargaining, requiring preschool programs to follow the current K-12 salary schedule, and requiring all preschool teachers to obtain bachelors degrees and early childhood credentials. These requirements will drive many of the current private preschool providers out of business, leaving government-run preschools as the only alternative for many California families.

Proponents of the Preschool for All program don’t seem concerned that their “soak the rich” approach may drive even more upper-income Californians to flee the state, exacerbating that state’s budget problems, but voters may be. Voters may also wonder if the \$2.5 billion will be wasted on programs with no direct benefit to children. Rob Reiner, head of the campaign in favor of Preschool for All, headed up another ballot measure in 1998 to increase the cigarette tax by 50 cents per pack in order to fund early childhood development programs. Over \$160 million of the funds raised from the cigarette tax increase have been used for advertisements to make the public aware of the importance of preschool and early childhood programs — money that surely would have been better-spent actually sending some children to those programs.⁵

Governor Vilsack has made increased funding for preschool programs one of his goals, and will probably pull out all the stops to make it happen this year — his last in office as Governor. Iowa Legislators should consider all options carefully, and avoid creating a massive government-run preschool program in Iowa.

ENDNOTES:

¹Mike Glover, “Vilsack: More money for preschool programs,” *Cedar Rapids Gazette Online*, September 29, 2005 <<http://gazetteonline.com/2005/09/29/Home/vilsack.prt>> (10/5/05); and Thomas Beaumont and Tim Higgins, “Vilsack calls legislation for preschools ‘a start’,” *DesMoinesRegister.com*, June 7, 2005 <<http://desmoinesregister.com/apps/pbcs.dll/article?AID=/20050607/NEWS10/506070380/1011>> (10/5/05).

²Andrew T. LeFevre, “Pennsylvania Expands Tax Credit Program,” *School Reform News*, September 2005, p. 1; and Andrew T. LeFevre, “More than 1,000 Celebrate Fourth Anniversary of Pennsylvania Tax Credit,” *School Reform News*, June 2005, p. 4.

³*Ibid.*

⁴Jenny Rothenberg, “Florida’s Voluntary Pre-K Program Gives Parents New Options,” *School Reform News*, October 2005, p. 16.

⁵Information on California’s preschool programs and proposals presented by Lisa Snell, Reason Foundation Education Director, at the State Policy Network Annual Meeting, Charleston, SC, September 30 and October 1, 2005.

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