



## For the Children? No, for the Politicians!

by Amy K. Frantz

One of the latest trends in education is that all children need some exposure to a pre-K educational program to be ready to learn when they enter Kindergarten. And not just any childcare will do; it must be “quality” education, as defined by elected officials and school administrators. Iowa Governor Chet Culver promised during his campaign last year to provide preschool for all four-year-olds in Iowa. The Democrat-controlled Legislature followed his lead and adopted a program, approved by the Governor, to create a massive government-run preschool program in Iowa. A recently released Policy Study from Public Interest Institute questions whether the intended beneficiaries of this new program are the state’s four-year-olds or in actuality are the teachers’ unions and the politicians who receive their support.

Iowa’s government preschool program decrees that “quality” instruction can only be provided by employees of government school districts or those under contract with a school district in Iowa. This requirement implies that private providers of preschool in Iowa are providing sub-standard instruction to preschoolers. Requiring the new preschool program to be staffed by government employees or those contracted with government will provide a pool of potential new dues-paying members for the teachers’ union.

The cost of the expansion of government-provided preschool, which is predicted to balloon from \$15 million for FY 2008 to \$108.9 million in FY 2014, is also a concern.<sup>1</sup> If the FY 2014 funding target of \$108.9 million is divided by the state’s 38,000 four-year-olds, the preschool program will cost \$2,866 per child. This per-child cost for the state to provide a minimum of ten hours per week of preschool instruction is more than half of the average annual fees paid for full-time center care for four-year-olds in Iowa, which is \$5,513.<sup>2</sup> The state was already providing preschool to many low-income or at-risk children through the Community Empowerment program and Shared Visions program, as well as the federally-funded Head Start Program.

Rather than emulating states such as Georgia and Oklahoma, who implemented pre-K programs in the past with little improvement in state test scores, Iowa should adopt a program similar to Florida’s. The Florida program uses vouchers to provide more children the opportunity to attend preschool, while still allowing families to choose a private preschool if they prefer it to a government-run preschool.

Pennsylvania has also chosen to expand opportunities for four-year-olds without expanding the government-run school system. The Educational Improvement Tax Credit (EITC) program allows companies to contribute to scholarship organizations or educational improvement programs in exchange for tax credits. “The pre-K plan awards a corporation a 100 percent tax credit for its first \$10,000 in contributions to a nonprofit Pre-Kindergarten Scholarship

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Organization (PKSO) and up to a 90 percent credit for additional contributions up to \$100,000.”<sup>3</sup> The Pennsylvania pre-K EITC program began awarding scholarships for the 2004-2005 school year, and as of January 2007, had raised a total of \$12,575,224 to award 10,935 scholarships.<sup>4</sup> The average size of a pre-K scholarship in Pennsylvania is \$1,150.

Iowa currently has a similar scholarship tax credit program for K-12 students. Last year, then-Governor Vilsack signed legislation into law creating the scholarship tax-credit program, establishing requirements for “school tuition organizations” to collect contributions and award scholarships for tuition costs at non-public schools. Contributors receive a personal income tax credit for 65 percent of the amount of the contribution. The total approved tax credits were capped at \$2.5 million in 2006 and \$5 million for 2007. Governor Culver recently approved legislation to expand the total amount of tax credits to \$7.5 million for the 2008 tax year.

To help more Iowa four-year-olds attend a pre-K program, Iowa’s scholarship tax credit program could become more similar to the Pennsylvania program. Iowa’s program provides personal income tax credits, while Pennsylvania’s program provides tax credits for corporate contributions, and also allows a more generous percent of the contribution as a credit. Pennsylvania’s program overall is much larger than Iowa’s program — while the Iowa program is capped at \$5 million in donations this year, Pennsylvania has increased its caps to \$59 million per year — with \$5 million of the cap dedicated to pre-K scholarship organizations alone.<sup>5</sup> While a Pennsylvania-like scholarship tax-credit program would help more children in need to attend a preschool, it does not expand the state’s government teacher workforce or keep the preschool program under the control of government school districts, which seems to be a high priority for the Culver Administration and the current Legislature, controlled by the Democrats who are close political allies of the Iowa State Education Association and National Education Association.

Creating a government-run preschool program, rather than utilizing vouchers or scholarships to help those children who are in need or at risk, demonstrates that the program’s main beneficiary is not necessarily the children but the politicians who have created Iowa’s government-run preschool program to reward their loyal supporters.

*The full Policy Study, “For the Children? No, for the Politicians!” can be viewed at [www.limitedgovernment.org](http://www.limitedgovernment.org).*

#### **Endnotes:**

<sup>1</sup>Devin Boerm, Research Analyst, House Democratic Research Staff, “Early Childhood, Voluntary Pre-School HF 877,” Bill Summary, March 26, 2007, <<http://www.iowahousedemocrats.org/summary/Preschoolsummary.pdf>> (April 4, 2007).

<sup>2</sup>“2007 Child Care in the State of Iowa,” National Association of Child Care Resource & Referral Agencies, <<http://www.naccrra.org/randd/data/docs/IA.pdf>> (July 25, 2007).

<sup>3</sup>Robert Holland, “Universal Preschool in Virginia? There Is a Better Way,” Lexington Institute Research Study, January 2007, p. 10, <[http://lexingtoninstitute.org/docs/va\\_preschool.pdf](http://lexingtoninstitute.org/docs/va_preschool.pdf)> (July 13, 2007).

<sup>4</sup>Ibid., pp. 10-11.

<sup>5</sup>Andrew LeFevre, “Ten Thousand Lifeboats - PA’s Education Improvement Tax Credit,” *Edspresso*, Center for Education Reform, May 9, 2007, <[http://www.edspresso.com/2007/05/ten\\_thousand\\_lifeboats\\_pas\\_edu.htm](http://www.edspresso.com/2007/05/ten_thousand_lifeboats_pas_edu.htm)> (July 15, 2007).

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