

## Gettin' Schooled on School: Universal and At-Risk Preschool<sup>1</sup>

This IPRO report examines the costs and benefits of universal preschool versus at-risk preschool, especially relating to state-provided preschool in Iowa.

### Overview

In 2007, Iowa implemented a voluntary universal preschool program for all four-year-olds in the state, titled the Statewide Voluntary Preschool Program (SVPP). SVPP offers classes in public schools, private preschools and child care centers. In 2011, Iowa Republican lawmakers criticized the program for being expensive. Governor Branstad has proposed a new universal preschool program, which would require each participating family to contribute payments based on income level on a sliding payment scale.<sup>2</sup>

### Definitions

*Universal Preschool:* State-provided, free pre-kindergarten schooling for all four-year-olds in a state. Participation in this pre-schooling is voluntary by the parents of each four-year-old child.

*At-Risk Preschool:* State-provided, free pre-kindergarten schooling only for four-year-olds who qualify because of risk factors determined by the state. These may include, but are not limited to, those with low family income relative to the federal poverty level, developmental delay, or limited English proficiency.

*Pre-literacy skills:* The skills that children develop before actually learning to read, including vocabulary, narrative skills, and letter knowledge.<sup>3</sup>

### Costs and Benefits of Universal Preschool

#### *Costs of Universal Preschool*

##### Finances

- Total state preschool expenditures nationwide in 2008-2009 reached \$5,037,696,733.<sup>4</sup>
- Some legislators argue that the state should not pay for preschool for families who can otherwise afford it.<sup>5</sup>
- Some lawmakers claim that the attention to and costs of universal preschool take funds away from K-12 education.<sup>6</sup>

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<sup>1</sup> This IPRO report was prepared by University of Iowa undergraduate student Liz Schorsch (elizabeth-schorsch@uiowa.edu).

<sup>2</sup> "Branstad administration unveils Iowa Preschool Program." Office of the Governor of Iowa, 14 February, 2011. Web. 5 March 2011. <<https://governor.iowa.gov/2011/02/branstad-administration-unveils-iowa-preschool-program/>>.

<sup>3</sup> "Six Early Literacy Skills – Birth to Six." Multnomah County Library, 3 May, 2010. Web. 8 March 2011. <<http://www.multcolib.org/birthtosix/elitskills.html>>.

<sup>4</sup> "The State of Preschool 2009 – State Preschool Yearbook." National Institute for Early Education Research, 2009. Web. 13 March 2011. <<http://nieer.org/yearbook/contents/>>.

<sup>5</sup> "I don't understand why the taxpayers of Iowa are still paying for preschool for families that can otherwise afford it," Iowa House Speaker Kraig Paulsen (R-Hiawatha), quoted in: "Preschool will remain free, top Senate Democrat says" The *Des Moines Register*, March 10, 2011.

### Universality

- Voluntary preschool may not serve a large enough percentage of eligible children.<sup>7</sup> In many states, participation has hovered at 50 percent or below. In 2010-2011 Iowa reached its highest enrollment rate, 51 percent of all 4-year-olds in the state. In 2008-2009, Georgia's four-year-old enrollment was 53 percent and Louisiana's was 32 percent (see Figure 2).<sup>8</sup>

### Benefits of Universal Preschool

#### Academic Achievement

- Preschool attendance has been linked to higher math and reading achievement in later grades. One study of Chicago schoolchildren found that those who had attended preschool significantly outperformed those who had not, based on reading and math tests at the ages of 9 and 13.<sup>9</sup>

#### Education Quality and Improvement

- Children who attend high quality preschool are less likely to require special education and less likely to repeat a grade.<sup>10</sup>
- Positive returns in student achievement from preschool programs exceed positive returns from student intervention efforts in later grades, such as class size reduction, special education, youth job training, and retention programs.<sup>11</sup>
- Skills learned in preschool, such as pre-literacy, benefit students who are economically disadvantaged especially, because they are more likely to enter kindergarten ill-prepared for the learning at hand.<sup>12</sup>

#### Economic Benefits

- Overall, calculations of preschool benefit-cost ratios have ranged from 2.5:1 to 17:1.<sup>13</sup> One study estimated the average cost of a preschool participant to be \$12,356 and the average net benefit to be \$88,433 (based on reduced crime spending, increased tax revenue, education savings,

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<sup>6</sup> "Over the last three years, this state has increased preschool funding by \$150 million while it cut funding for K-12 by \$450 million," Rep. Greg Forristall (R-Macedonia), quoted in "Preschool report raises debate in Iowa Legislature," *Quad-City Times*, March 22, 2011.

<sup>7</sup> In Iowa only about 50% of 4-year-olds are enrolled. "Branstad's plan for preschool targets low income," *Des Moines Register Staff Blogs*, 14 February, 2011. Web. 20 February, 2011. <<http://blogs.desmoinesregister.com/dmr/index.php/2011/02/14/branstads-plan-for-preschool-targets-low-income>>.

<sup>8</sup> "The State of Preschool 2009 – State Preschool Profile." National Institute for Early Education Research, 2009. Web. 13 March 2011. <<http://nieer.org/yearbook/contents/>>.

<sup>9</sup> "Chicago Longitudinal Study Newsletter." Waisman Center, University of Wisconsin – Madison, August 2000. Web. 20 March, 2011. <[www.waisman.wisc.edu/cls/NEWSLETN.PDF](http://www.waisman.wisc.edu/cls/NEWSLETN.PDF)>.

<sup>10</sup> Robert G. Lynch. "Enriching Children, Enriching the Nation: Public Investment in High-Quality Pre-Kindergarten." Economic Policy Institute, May 2007. Web. 3 April, 2011. <[http://www.epi.org/publications/entry/book\\_enriching/#exec](http://www.epi.org/publications/entry/book_enriching/#exec)>.

<sup>11</sup> "Why Business Should Support Early Childhood Education." Institute for a Competitive Workforce, 8 September, 2010. Web. 4 April, 2011. <<http://icw.uschamber.com/publication/ready-set-go-why-business-should-support-early-childhood-education>>.

<sup>12</sup> Daniel Ewen and Hannah Matthews. "The Potential for Title I for High Quality Preschool." Center for Law and Social Policy, 2006. Web. 2 April, 2011. <[www.clasp.org/admin/site/publications/files/0332.pdf](http://www.clasp.org/admin/site/publications/files/0332.pdf)>

<sup>13</sup> Arthur J. Reynolds, Judy A. Temple, Dylan L. Robertson, and Emily A. Mann. "Age 21 Cost-Benefit Analysis of the Title I Chicago Child-Parent Centers." Institute for Research on Poverty, February, 2002. Web. 5 April, 2011. <[www.irp.wisc.edu/publications/dps/pdfs/dp124502.pdf](http://www.irp.wisc.edu/publications/dps/pdfs/dp124502.pdf)>.

welfare savings, and personal increased earnings).<sup>14</sup> Another study estimated costs per preschool student to be \$6,692 with net benefits of \$41,067.<sup>15</sup>

## States with Universal Preschool

### *Iowa*

Iowa currently has two state preschool programs, Shared Visions and the Statewide Voluntary Preschool Program (SVPP). Shared Visions specifically serves low-income three-, four-, and five-year-olds, and at least 80 percent of the children in each of its classrooms qualifies for free or reduced lunch. Other children are eligible for Shared Visions because of alternate “risk factors,” such as homelessness, low birth weight, or developmental delay. Shared Visions expenditures in 2008-2009 were \$7,766,230 and the program enrolled 2,155 children. The program is funded through a competitive grant process. The use of a sliding payment scale for children from over-income families may be implemented based on the local needs of each grantee. Ten percent of Iowa school districts offer the Shared Visions program.<sup>16</sup>

Statewide Voluntary Preschool Program (SVPP) is available for all Iowa four-year-olds, regardless of income. It is estimated that SVPP will cost Iowa \$70 million in 2011-2012, compared to \$4.8 billion in total elementary and secondary school expenditures.<sup>17</sup>

Out of a projected 38,916 four-year-olds in Iowa, SVPP enrolled 19,799 during 2010-2011 (51 percent), up from 5,126 four-year-olds (28 percent) in 2007-2008 (see Figure 1).<sup>18</sup>

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<sup>14</sup> Greg Parks, “The High/Scope Perry Preschool Project,” *Juvenile Justice Bulletin*, October 2000.

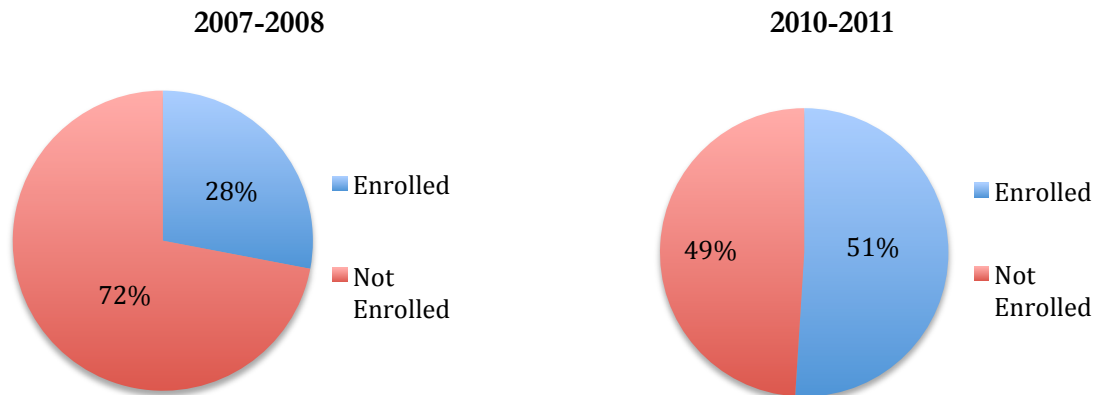
<sup>15</sup> “Why Business Should Support Early Childhood Education.” Institute for a Competitive Workforce, 8 September, 2010. Web. 4 April, 2011. <<http://icw.uschamber.com/publication/ready-set-go-why-business-should-support-early-childhood-education>>.

<sup>16</sup> “The State of Preschool 2009 – Iowa State Profile.” National Institute for Early Education Research, 2009. Web. 13 March 2011. <<http://nieer.org/yearbook/contents/>>.

<sup>17</sup> Jennifer Jacobs. “Preschool will remain free, top Senate Democrat says.” *Des Moines Register*, 11 March, 2011; “The Annual Condition of Education Report, 2010,” Iowa Department of Education, 2010. Web. 15 April, 2011. <[http://www.iowa.gov/educate/index.php?option=com\\_docman&task=cat\\_view&gid=646&Itemid=1563](http://www.iowa.gov/educate/index.php?option=com_docman&task=cat_view&gid=646&Itemid=1563)>.

<sup>18</sup> “Statewide Voluntary Preschool Program for Four-Year-Old-Children, Fact Sheet.” Iowa Department of Education, January 2011. Web. 25 April, 2011. <[http://www.iowa.gov/educate/index.php?option=com\\_docman&task=doc\\_download&gid=10874&Itemid=1507](http://www.iowa.gov/educate/index.php?option=com_docman&task=doc_download&gid=10874&Itemid=1507)>.

**Figure 1**  
Four-year-old enrollment in Iowa SVPP, (left) and 2010-2011 (right)



*Iowa Proposed Plan: Sliding-Scale Payment System for SVPP*

Governor Branstad’s proposed plan seeks to cut SVPP funding by giving some payment responsibility to participating families. Under Branstad’s plan, the state would distribute \$3,000 scholarships to eligible four-year-olds enrolling in public or private SVPP preschools of their family’s choice. Scholarships would pay for up to 10 hours a week of classes, after which point families are responsible for fees on a sliding scale based on federal poverty guidelines up to 300 percent. All families would pay something, but fees would range from \$3 a month for the neediest families to \$133 a month for a family of four that earns \$67,000 a year. In all, family fees would cover \$7.6 million a year for state-supported preschool, while state money would contribute \$43.6 million annually, accounting for a projected state savings of 39 percent.<sup>19</sup>

The sliding-scale payment plan for SVPP would only give state assistance for preschool to families earning less than about \$67,000 per year, and it would eliminate universal voluntary preschool in Iowa. Furthermore, the reduced SVPP system could potentially function as a “duplicate Shared Visions” program, overlapping greatly in its assistance to low-income children.

*Oklahoma*

Oklahoma, since 1998, has provided free preschool to all children who are at least four-years-old and who have not begun kindergarten. Children can enroll in either half days (two and a half hours per day and five days per week) or full days (six hours per day and five days per week). More participating children attend full day programs than half day programs. Eligible providers for the preschool programs are school districts and private or public providers of early childhood education programs in collaboration with the school district and state standards.<sup>20</sup>

<sup>19</sup> Andrew Duffelmeyer, “Officials: Branstad plan would mean preschool cuts,” *Times Republican*, April 2, 2011.

<sup>20</sup> “The State of Preschool 2009 – Oklahoma State Profile.” National Institute for Early Education Research, 2009. Web. 13 March 2011. <<http://nieer.org/yearbook/contents/>>.

Of the four-year olds in Oklahoma, 73 percent are enrolled in preschool. The state's Fiscal Year 2011 Budget Book credits such high participation rates to the partnerships that Oklahoma schools create with private childcare providers. The Oklahoma Department of Education encourages schools to provide certified teachers to private child care facilities to expand access and many districts are involved in this initiative.<sup>21</sup>

Oklahoma served 36,042 four-year-olds with this program in 2009. The program's overall expenditure was \$147,195,528, compared to overall education spending of \$4.5 billion (about 3.2 percent).<sup>22</sup>

Recent studies of Oklahoma's preschool program reveal that it increases White, Black, Hispanic, and Native American children's school readiness skills in pre-reading and pre-math. Hispanic and Black students had statistically significant gains in spelling, word identification, and pre-math; Native American children in word identification and pre-math; and White children in word identification and spelling. Statistically significant gains in spelling, word identification, and pre-math were also found in children of varying economic backgrounds, including those receiving free lunch, those receiving reduced-price lunch, and those receiving no lunch assistance.<sup>23</sup>

### *Florida*

Florida began operating its Voluntary Prekindergarten (VPK) program for all 4-year-old children in 2005. VPK is available for families of any income level, and families may enroll children in any participating program where space is available. VPK services are offered in a variety of settings, including public schools, accredited nonpublic schools, licensed childcare centers, and accredited faith-based providers (all of which must meet VPK requirements in areas such as teacher licensure and classroom standards).<sup>24</sup>

In 2009-2010, 148,196 four-year-olds were enrolled in Florida's VPK (64 percent of all four-year-olds). The state's overall VPK expenditure was \$391 million compared to eight billion dollars in K-12 expenditures.<sup>25</sup>

## **States with At-Risk Preschool**

In 2008-2009, 21 states provided free preschool only to four-year-olds with low-income backgrounds or other risk factors.

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<sup>21</sup> "FY-2011 Executive Budget," Oklahoma Office of State Finance. Web. 25 April, 2011. <[http://www.ok.gov/OSF/Budget/Budget\\_Books.html](http://www.ok.gov/OSF/Budget/Budget_Books.html)>.

"The State of Preschool 2009 – Oklahoma State Profile." National Institute for Early Education Research, 2009. Web. 13 March 2011. <<http://nieer.org/yearbook/contents/>>; "2008-2009 Annual Report." Oklahoma Department of Education, December 2010. Web. 20 April, 2011. <<http://sde.state.ok.us/Finance/StAid/default.html>>.

<sup>23</sup> Gormley, Gayer, Phillips, and Dawson, "The Effects of Universal Pre-K on Cognitive Development," *Developmental Psychology*, 2005, Vol. 41, No. 6.

<sup>24</sup> "The State of Preschool 2009 – Florida State Profile." National Institute for Early Education Research, 2009. Web. 13 March 2011. <<http://nieer.org/yearbook/contents/>>.

<sup>25</sup> "2010-2011 Education Budget and Highlights of Legislation." Florida Department of Education, Deputy Commissioner, Finance & Operations., 9 June, 2010. Web. 15 April, 2011. <<http://www.fldoe.org/cefo/budget.asp>>.

*Arkansas*<sup>26</sup>

Since 1991, has operated Arkansas Better Chance (ABC), which provides free preschool to four-year-olds from families whose income is below 200 percent of the federal poverty level. Children are also eligible for risk factors such as limited English ability, having a parent on active military duty, low birth weight, or being in foster care. In 2008-2009, ABC served 44 percent of Arkansas four-year-olds, and expenditures totaled \$111 million.

*Nebraska*<sup>27</sup>

The Early Childhood Education Grant Program was created in 1992 and expanded in 2001. Children whose family income is at or below 185 percent of the federal poverty level are eligible to participate free of charge. Children displaying other risk factors—such as limited English ability, premature birth, or having teen parents—also qualify. This program in 2008-2009 served 7 percent of Nebraska’s 4-year-olds, and its total 2008-2009 expenditures were \$7.7 million.

**Figure 2**<sup>28</sup>  
Top 10 US states with universal preschool programs by percent of Four-year-olds enrolled (2008-2009)

	State	Percent of 4-year-olds enrolled	Percent of state’s districts offering universal preschool
1	Oklahoma	71.0%	99%
2	Florida	66.7%	100%
3	Georgia	53.4%	100%
4	Vermont	53.0%	75%
5	West Virginia	50.6%	100%
6	New York	42.6%	67%
7	Louisiana	31.7%	97%
8	Illinois	28.7%	100%
9	Iowa	28.7%	33%
10	Maine	19.0%	24%

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<sup>26</sup> “The State of Preschool 2009 – Arkansas State Profile.” National Institute for Early Education Research, 2009. Web. 13 March 2011. <<http://nieer.org/yearbook/contents/>>; “Program Manual,” Arkansas Department of Human Services Division of Childcare and Early Childhood Education, Arkansas Better Chance Program, 2009. Web. 10 May, 2011. <<http://www.arkansas.gov/childcare/abc/>>.

<sup>27</sup> “The State of Preschool 2009 – Nebraska State Profile.” National Institute for Early Education Research, 2009. Web. 13 March 2011. <<http://nieer.org/yearbook/contents/>>; “2008 Evaluation Report.” Nebraska Department of Education, Early Childhood Grant Program, 2008. Web. 10 May 2011. <<http://www.education.ne.gov/ech/ECGrantProg.htm>>.

<sup>28</sup> “The State of Preschool 2009 – State Preschool Profile.” National Institute for Early Education Research, 2009. Web. 13 March 2011. <<http://nieer.org/yearbook/contents/>>.