

WHAT WOULD PROPOSITION 82 MEAN FOR CALIFORNIA?

Proposition 82, which will appear on the June 2006 ballot, would provide dedicated funding for a voluntary preschool program for children during the year before they enter kindergarten. The initiative argues that its purpose is, “to ensure that all children have the skills they will need to master reading and to succeed in school and in life...by providing all children the opportunity for a strong start in school.”¹

The following analysis focuses on the fiscal policy issues raised by Proposition 82. The California Budget Project (CBP) neither supports nor opposes Proposition 82. This Brief examines the fiscal policy issues raised by Proposition 82 and highlights the impacts of the proposed ballot measure on the budget and budget process, so that voters can make informed policy choices.

What Would Proposition 82 Do?

Proposition 82 would establish a program that provides one year of preschool, on a voluntary basis, to California children in the year before they enter kindergarten.² The proposition would establish a funding source to support the proposed program. Specifically, Proposition 82 would:

- **Establish a one-year preschool program in the state Constitution.** Proposition 82 would amend the state Constitution to require the state to offer one year of preschool to 4-year-olds. The program would be phased in over four years. Proposition 82 would require the program to be available to all 4-year-olds beginning four years after the measure’s effective date. Proposition 82 would establish a program providing a three-hour session for 180 days per year, require the curriculum to be age- and developmentally appropriate, and require that classes have no more than 20 children with at least one teacher and one instructional aide. Except under specified emergencies, preschool would be available at no cost to children or their families.
- **Specify the types of programs that would qualify for funds.** Proposition 82 would support programs offered

by both public and private providers that meet specified requirements. Preschool providers that choose to participate in the program would have to comply with certain licensing requirements; agree not to discriminate against any child, parent, or guardian; agree not to charge a fee under most circumstances; agree to admit all eligible children; and agree not to discriminate in employment or admissions. Under Proposition 82, providers would have to agree to pay salaries based on schedules established in each county’s preschool plan. Finally, Proposition 82 specifies the collective bargaining laws that would apply to preschool employees.

- **Establish standards for preschool programs and personnel.** Proposition 82 would require the Superintendent of Public Instruction (SPI) to establish guidelines governing the operation of Proposition 82-supported preschool programs including: learning standards; instructional practices; and quality, access, and fiscal accountability standards. By July 1, 2016, teachers in Proposition 82-supported programs would be required to have a bachelor’s degree and an early learning credential.³ Instructional aides would be required to have at least 48 college credits with 24 units in early education. The SPI would be required to work with California public colleges

and universities, including the community colleges, to develop an early learning credential.

- **Establish administrative and oversight requirements.** Proposition 82 gives the SPI broad authority to administer preschool programs, review and approve local plans, and approve the distribution of funds to county superintendents of schools. At the local level, county superintendents of schools would contract with preschool providers and administer preschool programs. However, Proposition 82 allows for alternative local administrators under certain conditions.⁴ County superintendents of schools would have responsibility for developing five-year county plans with specific components, as well as preparing and submitting annual program reports. Proposition 82 would create a statewide oversight committee with specified membership to review program activities and provide recommendations. County superintendents of schools would be required to appoint local advisory committees. Finally, the measure would require the SPI to appoint parent advocates to represent parents' interests and help parents address their concerns with Proposition 82-supported programs. Parent advocates would work at the local level, but report to the SPI.
- **Establish funding allocation formulas.** Proposition 82 would require the SPI to determine an annual statewide per-child allocation rate based on revenues collected from a new personal income tax rate imposed on high-income individuals. Proposition 82 would allocate funds to train preschool staff, develop preschool facilities, and build a reserve. Remaining funds would be distributed to counties for preschool services. Before July 1, 2016, the SPI would allocate funds to counties based on the number of 4-year-olds in the county. Beginning July 1, 2016, the SPI would allocate funds to counties based on the number of children enrolled in initiative-supported programs in the county.
- **Limit the legislature's ability to modify the program.** Proposition 82 would limit future legislative changes to those that "carry out" the purpose and intent of the measure and would require that any proposed change receive a two-thirds vote of the legislature.

How Much Does the State Currently Spend on Preschool?

Recent studies suggest that approximately two-thirds (62 to 64.5 percent) of California 4-year-olds attend some form of preschool or age-appropriate child development activity.⁵ Of those children who attended preschool or a similar program, one study found that 55.5 percent attended a publicly-funded program and 44.5

percent attended a privately-funded program.⁶ Another study examining children in kindergarten found wide variation in preschool attendance across subgroups. For example, while 58 percent of children whose first language was not English had attended preschool, 72 percent of children whose first language was English had attended preschool.⁷ Moreover, this study found that only 48 percent of children from predominately Spanish-speaking families had attended preschool.

A number of publicly supported preschool and child development programs currently serve California children.⁸ These programs receive funds from a variety of federal, state, and local sources:

- **Child Care and Development Act.** The 2005-06 Budget appropriated \$2.4 billion for various child care and child development programs administered by the California Department of Education (CDE).⁹ These funds provided preschool or comparable services to 77,417 4-year-olds, of whom 54,869 were in the State Preschool Program.¹⁰
- **Head Start program.** The federal Head Start program provides age-appropriate part- and full-time early child development services to low-income children and their families. California's Head Start program received \$829.6 million in federal fiscal year 2005.¹¹ This allocation supported enrollment for 102,287 children, of whom 56,156 were 4-year-olds.¹²
- **Special education preschool.** The federal Individuals with Disabilities Education Act (IDEA) provides funding to states for preschool instruction, among other services, for children ages 3 through 5 who are not in kindergarten. California's Special Education Program received \$98.4 million in federal funds in 2005-06 to provide preschool services to eligible children pursuant to their individual education plans. California provided preschool and other services to 22,795 4-year-olds in December 2004.¹³
- **Title I preschool.** Title I of the federal No Child Left Behind Act provides funds to low-achieving schools to improve student academic performance. Schools can use these funds to provide services to improve educational outcomes for at-risk children, including before school, after school, summer learning opportunities, and preschool. In 2003-04, 45 school districts notified the CDE that they planned to use \$12.5 million of their federal Title I allocations for preschool services.¹⁴
- **Proposition 10-funded preschool services.** Voters approved Proposition 10 in 1998, which established state and county early childhood development programs supported by a \$0.50 per pack tax on tobacco products. State and local "First 5" commissions administer the programs. In 2001, the state

First 5 commission allocated \$200 million over four years to implement programs that improve children's readiness for school and to increase schools' and communities' capacity to promote children's readiness for school. In 2003, the state First 5 commission allocated \$100 million to preschool expansion projects. In 2005, the commission approved funding for seven county preschool demonstration projects. In addition, some county First 5 commissions, including Los Angeles, have allocated funds to support preschool programs.

Proposition 82 Would Tax the Wealthy to Fund Preschool

Proposition 82 would create a new personal income tax rate for high-income individuals to provide dedicated funding for preschool programs. The Legislative Analyst's Office (LAO) estimates that the measure would generate approximately \$500 million in 2006-07, \$2.1 billion in 2007-08, and about \$2.6 billion in 2010-11.¹⁵ Estimated 2007-08 revenues for the initiative would equal more than six times the size of the 2005-06 budget allocation for state subsidized preschool.¹⁶

New Tax Rate Would Apply to High-Income Taxpayers

Proposition 82 would impose an additional 1.7 percent tax beginning January 1, 2007, on the portion of taxable income that exceeds:

- \$400,000 for an individual taxpayer or married taxpayer,
- \$544,467 for a head of household taxpayer, and
- \$800,000 for married taxpayers filing a joint return.

The new tax rate would only apply to the portion of a taxpayer's income that exceeds the threshold amounts. For example, a single taxpayer with a taxable income of \$750,000 would pay an additional \$5,950 under Proposition 82 (1.7 percent of \$350,000).

The additional 1.7 percent rate would raise the top tax rate for taxpayers with incomes in excess of \$1 million to 12 percent.¹⁷ California currently has the highest top personal income tax rate in the nation.¹⁸ Unlike the state's six current tax brackets for incomes below \$1 million, the threshold for this rate would not be indexed for inflation.

How Would Proposition 82 Funds Be Allocated?

Under Proposition 82, the state would allocate most of the revenues raised to local preschool programs. In addition, during the program's first 10 years, Proposition 82 would allocate:

- Up to \$500 million to support the development and provision of college-level early learning programs at California's public colleges and universities,
- Up to \$200 million to support financial aid for students studying to become early education teachers or instructional aides,
- Up to \$2 billion to support construction and renovation of facilities for use by preschool programs, and
- Funds to a reserve in an amount sufficient to support a full year of program operations at the end of the 10-year period.

On an ongoing basis, funds would be allocated to support parent advocates at the local level; engage in outreach to inform parents of the importance and availability of preschool; and monitor and audit county programs. During the first 10 years, funds would also be allocated to a facilities reserve fund for additional support to counties in need of facilities to provide adequate access to preschool services.

The remainder of the funds would be used to fund local preschool programs. During the program's first four years, priority would be given to funding programs within the area of low-performing schools. Universal access would begin four years after the measure's effective date.

Amounts raised by the new tax would be allocated to local programs based on a uniform, statewide, per-child allocation rate. Funds would be disbursed to individual county accounts at the statewide rate based on budgets contained in individual county preschool plans. Between July 1, 2006 and July 1, 2016, the rate would be determined by the amount of funds available, divided by the number of 4-year-olds in each county. After July 1, 2016, funds would be allocated based on the actual enrollment in preschool programs within the county.

Funds raised by Proposition 82:

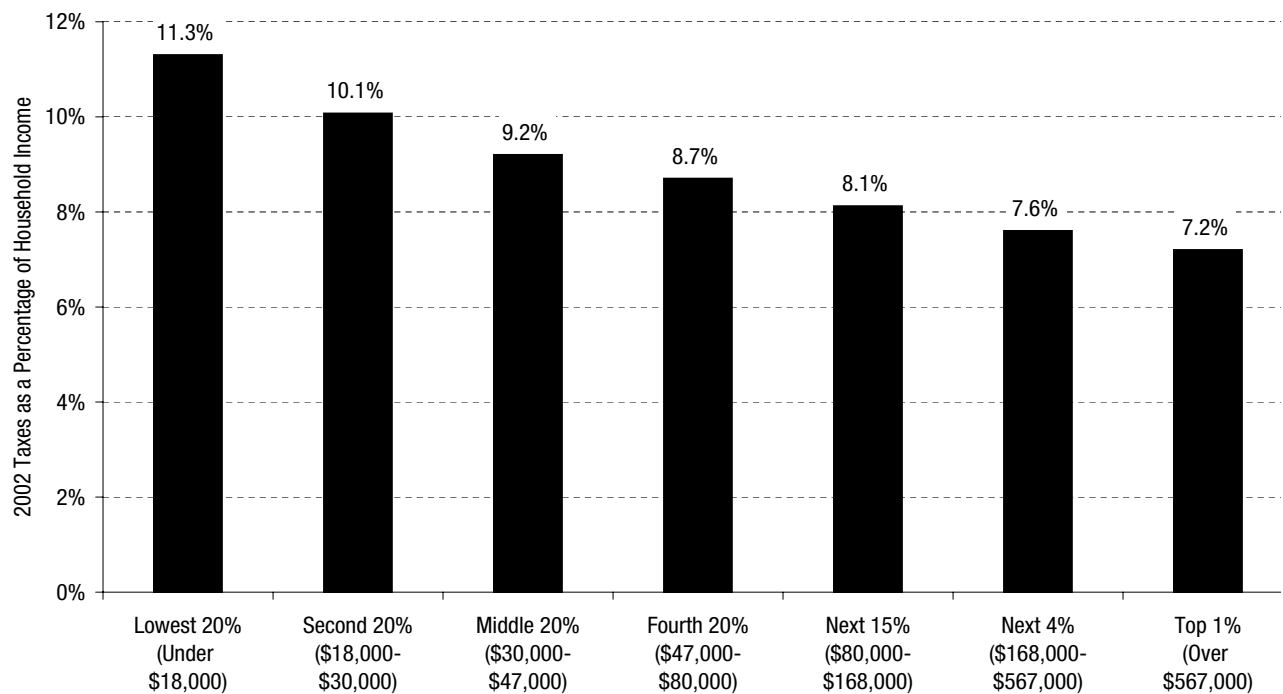
- **Would not be subject to the regular budget process.** All revenues derived from Proposition 82's tax increase would be allocated based on the formulas in and for the purposes outlined in Proposition 82. Proposition 82 funds would not be appropriated annually by the legislature through the regular budget process.
- **Could not replace existing funds.** Proposition 82 would dedicate all of the revenues raised by the new tax to preschool. These funds could not replace existing state funds appropriated for the State Preschool Program or child development programs that provide preschool-like services to 4-year-old children. This provision limits the legislature's

Who Pays Taxes in California?

In 2003, the most recent year for which personal income tax data are available, taxpayers with Adjusted Gross Incomes (AGI) of \$400,000 or more accounted for 0.8 percent of personal income tax returns, reported 18.0 percent of AGI, and paid 36.6 percent of the personal income tax.¹⁹

California has a progressive personal income tax – higher-income households pay a larger share of their income in taxes than lower-income households. However, the total tax burden on California’s families is a function of the state’s highly progressive personal income tax and regressive sales and excise taxes. Households also bear a share of the burden of taxes imposed on business through higher prices and lower corporate earnings. When all state and local taxes are taken into account, the state’s lowest-income households pay a higher share of their income in taxes. This results from the fact that low-income households pay little or no personal income tax, but pay a larger share of their income in sales, property, and excise taxes such as fuel or cigarette taxes.

Lowest-Income Households Pay the Largest Share of Their Income in State and Local Taxes



Note: Calculated for non-elderly, married couples. Includes offset for federal deductibility of state taxes.
Source: Institute on Taxation and Economic Policy

ability to reduce existing funding levels or shift funds to other priorities in the event of a budget shortfall or changing program needs.

- **Would not affect the Proposition 98 guarantee.** Proposition 82 would deposit the new tax revenues into a new special fund – the Preschool for All Fund – and exclude those funds from the calculation of the Proposition 98 guarantee and from the state and local jurisdictions’ appropriation limits.

What Happens if Revenues Are Insufficient to Fund the Program?

Proposition 82 would require the state to set aside a reserve sufficient to support one year of program costs as a cushion against future funding shortfalls. The reserve would be funded by annual allocations during the first 10 years of the program. Additional contributions would be required if the balance in the reserve falls below the level needed to support a full year of program costs, except in years when revenues are insufficient

to maintain specified operating standards. The reserve could be used in years when revenues are inadequate to maintain the basic per-child expenditure level and program quality and access standards.

If the balance in the reserve drops below 10 percent of annual program costs, the SPI must declare a “funding emergency.” In such an emergency, Proposition 82 allows the legislature to enact a bill that would temporarily require parents to pay a fee to support program costs. Fees could only be imposed for one year at a time and no child could be denied access to preschool based on an inability to pay. The LAO argues that a two-thirds vote of the legislature would be needed to pass a bill imposing a parent contribution fee.²⁰ This requirement would differ from other state fees, which can be imposed or increased by a majority vote of the legislature.

Proposition 82 would prohibit the use of state General Fund dollars for preschool programs in the event of a funding emergency. If the reserve is exhausted, Proposition 82 does not provide a mechanism for funding the program if the legislature fails to enact a parent fee. Local programs would remain obligated to provide universal access and meet program standards, regardless of the level of funding they receive.

What Does the Research Show?

The research on the effects of preschool is both substantial and complex.²¹ Historically, research focused on small demonstration projects intended to determine whether compensatory education would improve school performance for at-risk children.²² Recent and ongoing studies involving more diverse populations have followed or will follow children’s progress over time from as early as birth through, in some cases, their teenage years.²³ Finally, studies have examined the impact of universal access programs in Georgia and Oklahoma that include children from higher-income, as well as low-income families.²⁴

Due to the diversity of methodologies used to study the various programs, differences in outcomes measured, and the paucity of studies that follow children over a number of years, caution should be used when drawing conclusions from the available research. Moreover, few studies include a cost-benefit analysis or compare the relative benefits of different types of interventions. Keeping these cautions in mind, the available research suggests that:

- At-risk children who attend preschool may exhibit improved achievement test or IQ test outcomes, at least over the short-term, compared to similar children who do not attend preschool.²⁵ Two studies suggest that these gains may extend to middle- and high-income children. One study suggests

that, for low- and middle-income children, results are dependent on the number of hours per week children are enrolled in preschool programs.²⁶ Most studies did not track their participants through high school. However, two studies found that children who attended preschool graduated from high school at higher rates.²⁷

- Low-income children may benefit more from preschool than other children. For example, children from low-income families who attended Georgia’s preschool program showed greater gains on skills tests than their higher-income peers, leading the report’s authors to suggest that the program may have reduced some gaps between the two groups.²⁸
- Preschool may have few lasting positive outcomes for children from more affluent families and may, in fact, contribute to adverse behavioral effects, while having positive benefits for disadvantaged children. Authors of one study indicate that their findings suggest, “that the greatest return to public investments in early education may be obtained by using funds to increase disadvantaged children’s enrollment in preschool and prekindergarten.”²⁹
- At-risk children who attended preschool may experience reduced incidence of juvenile crime.³⁰ In contrast, at least one study found associations between preschool and possible increases in behavioral problems for high-income children, compared to similar children who do not attend preschool.³¹
- At-risk children who attend preschool may be less likely to be held back in school or to need special education services.³²
- At-risk children who attend preschool receive benefits that exceed the cost of the preschool program.³³ Two studies found that benefits accrued over time and came primarily from reduced referrals to special education, lower rates of criminal involvement, lower use of public assistance, and higher earnings from employment, compared to similar children who did not attend the preschool program. However, these studies did not examine the relative benefits and costs of universal preschool because the study designs were limited to at-risk children.

What Policy Issues Does Proposition 82 Raise?

Proposition 82 would establish a constitutional right to preschool supported by a dedicated funding source that is allocated outside the budget process. When evaluating Proposition 82, voters should carefully weigh several key policy considerations:

Is this the “right” investment for California’s children?

Proposition 82 would make public preschool available to 4-year-old children to ensure that California’s children have the

skills they need to succeed in school. There is significant agreement that providing preschool to children from low-income families would help improve their school and life outcomes.³⁴ However, the evidence discussed above also suggests that more affluent children receive few benefits from preschool. Further, the research suggests that other early intervention strategies could improve outcomes for disadvantaged children, either in combination with or separate from preschool.³⁵

Opponents argue that a more sensible and efficient approach would be to target resources to low-income children who have the greatest school readiness deficits. Such an approach, they argue, could do more to reduce achievement gaps at school entry. Further, targeting low-income children would allocate more of the available funds to those children who are unable to afford preschool, rather than subsidizing children whose families already pay for preschool services.³⁶ Proponents counter that providing resources for a universal voluntary preschool program would reduce administrative costs, build support for a high-quality program, and be more equitable than a program that targets a portion of the population.³⁷

Should voters set budget priorities at the ballot box?

Proposition 82 would substantially expand state spending on preschool, preschool teacher and staff training, and related facilities. Funding for this expansion would be provided by a dedicated revenue source. Opponents of so-called “ballot box budgeting” argue that the initiative process limits voters to an up-or-down choice on one type of spending (for example, preschool) in isolation from other potential uses of funds. They further argue that earmarking the proceeds from a revenue source that is relatively popular among voters limits the ability of legislators to use the same source for other spending priorities or to fill a gap in the state budget. Moreover, they argue that initiatives “lock in” programs by severely limiting the ability of the legislature to make programmatic changes or to modify spending in response to economic, budget, and demographic shifts. Finally, opponents argue that California faces ongoing budget shortfalls and that any increase in revenues should be used to ensure that current programs are adequately funded prior to taking on additional responsibilities.

Proponents of initiative-based spending argue that the two-thirds vote requirement for legislative approval of tax increases makes it difficult, if not impossible, to raise revenues to support important program expansions. Given this difficulty, they maintain, it is appropriate to offer voters the ability to raise taxes to fund programs supported by a majority of the voters.

Would Proposition 82 increase the percentage of 4-year-olds who attend preschool? Survey data suggest that between 62 and 64.5 percent of 4-year-old children already are in preschool.³⁸ The LAO, using limited information from

two states that have universal voluntary preschool programs, estimates that about 70 percent of 4-year-olds would attend the new program. In addition, the LAO suggests that up to an additional 10 percent of children might remain in privately-funded preschools.³⁹ Overall, this suggests that Proposition 82 could increase preschool enrollment by up to 18 percentage points. Critics argue that Proposition 82 would result in a modest gain in enrollment and that most of the funds raised by the new tax would go to provide subsidies for children whose parents now pay for preschool.

What happens if revenues are insufficient to support program operating costs?

Proposition 82 provides a reserve that can be used in the event the statewide per-child allocation rate declines or if that rate is insufficient to support program access and quality. Proposition 82 does not, however, provide a mechanism for modifying program standards or access requirements should revenues fail to keep pace with program costs. During a funding emergency, the state could not use General Fund dollars to support preschool costs, but local programs could not deny access to any child that seeks to attend preschool, increase class sizes, or reduce the educational level required of teachers or instructional aides. If funding proves insufficient to support the operation of preschool programs, providers may opt out of the program. Should this occur, it is unclear how the state and county superintendents would maintain the universal access that would be required by the state Constitution.

What impact would Proposition 82 have on the teaching profession?

Proposition 82 would require initiative-supported preschool programs to meet strict new teacher and instructional aide educational standards beginning July 2014. The measure would allocate funds to support the development of training programs and to provide financial aid for individuals who commit to teaching in a preschool program upon completion of their education. These allocations are aimed at boosting the number of individuals who enter the preschool workforce. It is unclear, however, whether these funds will be adequate to ensure that a sufficient number of individuals are available to meet the demand for trained staff once the program is fully implemented.

California has experienced a shortage of credentialed teachers, and this shortfall is expected to increase through 2014-15 as a large number of “baby boomer” teachers reach retirement age.⁴⁰ A significant expansion of preschool programs, and the related increase in demand for teachers and aides, will compete with the ongoing demand for teachers in K-12 education. Proposition 82 does not provide a mechanism for programs to adjust staffing or training requirements if they are unable to recruit teachers and aides who meet the measure’s standards. As a result, it is unclear how programs that fail to recruit qualified staff will reconcile the lack of staff and the measure’s requirement to provide universal

access. To the extent preschool salaries increase and potentially surpass those in K-12 education, teachers meeting Proposition 82's standards may move from K-12 education into preschool programs. This shift, in turn, would exacerbate the existing K-12 teacher shortage.

Would Proposition 82 ensure that the children most at-risk have an opportunity to attend preschool over the long-run?

Proposition 82 would allocate funds during the program's first 10 years based on the number of 4-year-old children residing in a county. After the first 10 years, funding would be allocated, under most circumstances, based on the number of children enrolled in preschool within a county. Some critics argue that this approach may limit the amount of funding allocated to disadvantaged communities where there are shortages of classroom space and staff or where parents may be more reluctant to initially enroll their children in preschool. Counties with low enrollment relative to their population of 4-year-olds would lose funding in 2016, while those with higher than proportional enrollment would gain funds. This could tend to "lock in" funding levels, making it difficult for poor communities, where children may benefit the most from preschool, to expand their programs in future years.

Would Proposition 82 give the SPI too much responsibility for administering preschool programs? Proposition 82 would give the SPI authority for administering preschool programs at the statewide level within the scope of detailed guidelines established in the initiative. The SPI, in particular, would have the authority to establish funding allocations for local programs. The state Constitution generally gives the legislature the authority to appropriate funds, while the SPI and the executive branch administer programs within the confines of state law and the annual budget act. Proposition 82 would limit the ability of the legislature to make changes to preschool programs, while providing the SPI with extensive programmatic and budget authority. Some critics question whether Proposition 82 would give too much authority to the SPI and too little oversight authority to the legislature.

What Do Proponents Claim?

Proponents claim that, "For every dollar we invest in preschool, studies show we get more money back."⁴¹ According to

proponents, children who would receive preschool services as a result of Proposition 82 would be:

- Better able to learn to read by third grade and to do their best in school;
- Less likely to drop out of school, and thus, have a better chance to graduate from high school;
- Less likely to become involved in crime; and
- More likely to be part of a better-educated workforce that contributes to a stronger economy.⁴²

What Do Opponents Claim?

Opponents of Proposition 82 claim that the issue "is not whether expanded preschool would bring benefits to our kids, but whether California can afford to spend \$2.4 billion in scarce resources on a new preschool bureaucracy that will only increase enrollment by four or five percent."⁴³ According to opponents, Proposition 82 would:

- Spend \$2.4 billion on preschool when California has other pressing needs, including K-12 education, health care, and infrastructure investments; and
- Lock \$2.4 billion in new revenue into a preschool program at a time when the state faces chronic budget deficits.⁴⁴

Conclusion

Proposition 82 would provide new funds to support a voluntary preschool program available to children in the year before they enter kindergarten using a new dedicated revenue source. The new program would be required to meet certain standards with regard to class size, curriculum, and teacher training. Critics counter that "ballot box budgeting" limits the legislature's ability to react to changing budget and programmatic priorities and that the state should address its long-term budget problems before enacting major new programs. In assessing Proposition 82, voters should weigh the costs and benefits of the proposed programs and how these issues might affect policy outcomes in future years.

David Illig prepared this Budget Brief with assistance from Jean Ross. The California Budget Project (CBP) neither supports nor opposes Proposition 82. This Budget Brief is designed to help voters reach an informed decision based on the merits of the issues. The California Budget Project (CBP) was founded in 1994 to provide Californians with a source of timely, objective, and accessible expertise on state fiscal and economic policy issues. The CBP engages in independent fiscal and policy analysis and public education with the goal of improving public policies affecting the economic and social well-being of low- and middle-income Californians. General operating support for the CBP is provided by foundation grants, individual donations, and subscriptions. Please visit the CBP's website at www.cbp.org.

ENDNOTES

- ¹ Secretary of State's Office, "Proposition 82" (*Official Voter Information Guide, June 6, 2006*), p. 51.
- ² This analysis refers to these children as 4-year-olds and, unless otherwise noted, this analysis uses the term preschool program to refer to programs supported by Proposition 82 funds.
- ³ The initiative would allow teachers to substitute a multiple-subject credential if the teacher has completed 24 units of early learning coursework.
- ⁴ If local entities have committed at least \$200 million to a countywide preschool program, or if a county has enacted a ballot measure to fund a countywide measure to fund preschool before the effective date of Proposition 82, the entity administering that program could serve as the alternative local administrator. For example, the Los Angeles County First 5 Commission (First 5 LA) committed \$600 million over five years beginning in 2004 from its Proposition 10 allocation to a countywide universal preschool program. First 5 LA created Los Angeles Universal Preschool (LAUP) to manage the Commission's universal preschool project. LAUP could become the alternative local administrator for Los Angeles County under this provision.
- ⁵ Lynn A. Karoly and James H. Bigelow, *The Economics of Investing in Universal Preschool Education in California* (RAND: 2005), p. 15 and Margaret Bridges, et al., *Preschool for California's Children Promising Benefits, Unequal Access* (Policy Analysis of California Education and University of California Linguistic Minority Research Institute: Policy Brief 04-3: September 2004), p. 1.
- ⁶ Lynn A. Karoly and James H. Bigelow, *The Economics of Investing in Universal Preschool Education in California* (RAND: 2005), p. 15. These percentages include both 3- and 4-year-olds.
- ⁷ Russell W. Rumberger and Loan Tran, *Preschool Participation and the Cognitive and Social Development of Language Minority Students* (National Center for Research on Evaluation, Standards, and Student Testing (CRESST)/University of California, Los Angeles and University of California Linguistic Minority Research Institute: January 2006), p. 3.
- ⁸ The California Department of Education (CDE) makes a distinction between child care, which primarily includes services associated with caring for children in a healthy and safe environment, and child development, which includes an educational component that is developmentally, culturally, and linguistically appropriate instruction for children in care, as well as maintaining a healthy and safe environment. For children ages 3 through 5 in child development settings, programs must use the Prekindergarten Learning and Development Guidelines that are coordinated with the K-12 academic content standards.
- ⁹ California Department of Education, *Child Care and Development Local Assistance Funding Fiscal Year 2005-2006 Budget Act* (no date), downloaded from <http://www.cde.ca.gov/sp/cd/op/budget0506.asp> on February 10, 2006.
- ¹⁰ California Department of Education, Child Development Division, *Number and Percent of Children in Center-Based (Title 5) and State Preschool Programs by Age Groups* (March 24, 2006).
- ¹¹ California Head Start Association, *Head Start in California 2005 Update* (no date), downloaded from <http://caheadstart.org/2005%20UpdateFactSheet.pdf> on March 9, 2006.
- ¹² California Head Start Association, *Head Start in California 2006 Update and Fact Sheet* (no date), downloaded from <http://caheadstart.org/2006UpdateFactSheet.pdf> on April 17, 2006.
- ¹³ California Department of Education, Special Education Division, *Special Education Enrollment by Age and Grade Statewide Report* (February 10, 2006), downloaded from <http://data1.cde.ca.gov/dataquest/> on February 10, 2006. CDE staff note that the Department does not collect preschool attendance data and that actual preschool enrollment was less than 22,795.
- ¹⁴ California Department of Education, *Title I, Part A Preschool Program Reservations Consolidated Application, Part II* (April 2004), downloaded from <http://www.cde.ca.gov/sp/sw/t1/documents/preschoolres.xls> on March 13, 2006. The CDE does not collect data on the number of children enrolled in Title I preschool.
- ¹⁵ Legislative Analyst, "Proposition 82. Preschool Education. Tax on Incomes Over \$400,000 for Individuals; \$800,000 for Couples. Initiative Constitutional Amendment and Statute," in Secretary of State's Office, *Official Voter Information Guide, June 6, 2006*, p. 19.
- ¹⁶ California Department of Education, *Child Care and Development Local Assistance Funding Fiscal Year 2005-06, Budget Act of 2005*, downloaded from <http://www.cde.ca.gov/sp/cd/op/budget0506.asp> on February 10, 2006.
- ¹⁷ The 1.7 percent tax rate would apply in addition to the 1 percent rate imposed by Proposition 63 of 2004 to that portion of a taxpayer's taxable income that exceeds \$1 million and the bracket structure specified in current law.
- ¹⁸ Federation of Tax Administrators, *State Individual Income Taxes* (January 2006), downloaded from http://www.taxadmin.org/fta/rate/ind_inc.html on April 11, 2006.
- ¹⁹ Franchise Tax Board, *Annual Report, 2004* (January 2006), p. 82.
- ²⁰ Legislative Analyst, "Proposition 82. Preschool Education. Tax on Incomes Over \$400,000 for Individuals; \$800,000 for Couples. Initiative Constitutional Amendment and Statute," in Secretary of State's Office, *Official Voter Information Guide, June 6, 2006*, p. 15.
- ²¹ Surveys of the research studies include Steven Barnett, "Long-Term Effects of Early Childhood Programs on Cognitive and School Outcomes," and Hirokazu Yoshikawa, "Long-Term Effects of Early Childhood Programs on Social Outcomes and Delinquency," *The Future of Children*, Vol. 5 No. 3 (Winter 1995), pp. 24-75; Lynn A. Karoly, et al., *Investing in Our Children: What We Know and Don't Know About the Costs and Benefits of Early Childhood Interventions* (RAND: 1998); and Jack P. Shonkoff and Deborah A. Phillips, eds., *From Neurons to Neighborhoods: The Science of Early Childhood Development* (Washington, DC: National Academy Press, 2000). The literature is complex because the projects studied varied in design and purpose. For example, two of the projects typically cited as evidence for the efficacy of preschool were designed to identify whether children with special needs could benefit from intensive interventions over several years. Other projects labeled as preschool projects included interventions for parents or center-based care for children at younger ages. The studies typically do not separate the effects of each component from the effects of preschool.
- ²² "At-risk children" refers to children in families with multiple characteristics associated with increased likelihood of poor outcomes, including living in low-income or single parent homes, living in a community with high poverty rates or low-performing schools, having a mother with less than a high school education, being exposed to child maltreatment, and/or living in homes where limited English is spoken.
- ²³ See, for example, US Department of Health and Human Services, National Institute for Child Health and Development, *The NICHD Study of Early Child Care and Youth Development*, downloaded from <http://secc.rti.org/summary.cfm> on April 17, 2006 and the US Department of Education, National Center for Education Statistics, *Early Childhood Longitudinal Study of the Kindergarten Class of 1998-99 Project Summary*, downloaded from <http://nces.ed.gov/ecls> on April 17, 2006.
- ²⁴ These studies include Gary T. Henry, et al., *Georgia Pre-K Longitudinal Study: Final Report 1996-2001* (Georgia State University, Andrew Young School of Policy Studies: May 2003), downloaded from <http://aysps.gsu.edu/publications/GPKLSFinalReportMay2003.pdf> on April 23, 2006; Gary T. Henry, et al., *The Georgia Early Childhood Study*

- 2001-2004 Final Report (Georgia State University, Andrew Young School of Policy Studies: December 2005), downloaded from <http://aysps.gsu.edu/publications/2005/EarlyChildhoodReport.pdf> on April 23, 2006; and William T. Gormley, Jr. et al., "The Effects of Universal Preschool on Cognitive Development," *Developmental Psychology*, Vol. 41 No. 6 (2005), pp. 872-884.
- 25 Steven Barnett, "Long-Term Effects of Early Childhood Programs on Cognitive and School Outcomes," *The Future of Children*, Vol. 5 No. 3 (Winter 1995), pp. 33, 37, and 39 and Lynn A. Karoly, et al., *Investing in Our Children: What We Know and Don't Know About the Costs and Benefits of Early Childhood Interventions* (RAND: 1998), pp. 26-27.
- 26 Susanna Loeb, et al., *How Much is Too Much? The Influence of Preschool Centers on Children's Social and Cognitive Development* (National Bureau of Economic Research: Working Paper 11812: December 2005), pp. 14 and 24. This study found that attending preschool for 30 hours or more per week benefited low- and middle-income children, but attending programs for less than 30 hours per week benefited only high-income children. See also, William T. Gormley, Jr. et al., "The Effects of Universal Preschool on Cognitive Development," *Developmental Psychology*, Vol. 41 No. 6 (2005), pp. 880-881. The study found that children who attended Tulsa, Oklahoma's program exhibited improved achievement test scores for all race/ethnic groups and for both low-income and higher income groups. This study examined children at the point they entered kindergarten.
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- 42 Secretary of State's Office, "Argument in Favor of Proposition 82," *Official Voter Information Guide, June 6, 2006*, p. 22.
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