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Good morning. My name is Michael Van Beek, and I'm the director of education policy at the Mackinac Center for Public Policy. The Mackinac Center is a nonprofit, nonpartisan research organization located in Midland that conducts research and educates the public on market-based policies that work to expand liberty and opportunity for all Michigan residents. I'm pleased to report that we are celebrating our 25th year of operation in 2013.

The purpose of my testimony today is to express my concern with the current plan to spend more money on the Great Start Readiness Program. I am not necessarily opposed to preschool programs — clearly, a lot of parents find value in them — but I am skeptical of the notion that by simply expanding Great Start the state will produce a remarkable “return on investment” for taxpayers and society, a common argument used by advocates of this idea.

You've probably heard something along these lines: For every dollar spent on preschool, society reaps \$7 in benefits, or \$10, or maybe you've heard estimates as high as \$18. This argument is based on the idea that children who go to preschool are more likely to graduate high school, go to college, stay employed and pay taxes. Meanwhile, proponents argue, children who go to preschool are less likely to need remedial classes, go on welfare or go to jail.

While a few programs have been rigorously studied and have demonstrated long-run benefits — estimates range from \$0.66 to \$7.20 for every dollar spent — we should not assume that all preschool programs automatically produce similar results.¹

And this is the first reason for my concern: **Results from small, intensive and expensive programs are not valid evidence to support the expansion of Great Start.**

One program often mentioned in this debate is the Perry Preschool Project, but as I'll demonstrate, it is very different from Great Start. Perry provided two years of educational services to 58 three- and four-year-olds from 1962 to 1965 in Ypsilanti. It cost about \$12,500 per student annually (in 2012 dollars).² Only African-American children with IQs considered

¹ Douglas Besharov and Craig Ramey, "Preschool Puzzle," (Education Next, 2008), <http://goo.gl/1EN6f> (accessed March 1, 2013).

² Neal McCluskey, "Response: Leave it to the Private Sector," (Boston Review, 2012), <http://goo.gl/BcTjI> (accessed March 1, 2013).

“developmentally or cognitively delayed” were allowed to enroll.³ The parents of the participants could not have attended college and had to either be unemployed or employed in an unskilled job.⁴

A second program often cited as evidence for the long-run effects of preschool is North Carolina’s Abecedarian Project. This mid-1970s program enrolled 57 “at-risk” children, and provided full-day, year-round services for families, starting when participants were about four months old and continuing until they were eight. The child-teacher ratio was never larger than 6:1, and it cost about \$17,700 per child annually (in 2012 dollars).⁵

The last program pre-K advocates frequently reference as proof of preschool’s long-term effectiveness is the Child-Parent Center program. It provided home visitations, parental training, health services and tutoring through third grade to 989 African-American and Hispanic three-year-olds in Chicago’s poorest neighborhoods from 1983 to 1986.⁶ This carried a smaller price tag than the Perry or Abecedarian programs, coming in at about \$5,600 per child per year, with a total average cost of about \$12,300 per participant over the multiple years of the program.⁷

Great Start is very different from these expensive and targeted programs. For instance, it spends about \$3,400 for each of the 30,000 students it enrolls.⁸ It provides services only to four-year-olds, and does not exclusively serve extremely impoverished children and communities as these other programs did.

³ Besharov and Ramey, "Preschool Puzzle," (Education Next, 2008), <http://goo.gl/1EN6f> (accessed March 1, 2013).

⁴ Lawrence J. Schweinhart et al., "The High/Scope Perry Preschool Study Through Age 40: Summary, Conclusions, and Frequently Asked Questions," (High/Scope Press, 2005), <http://goo.gl/LRYxM> (accessed March 1, 2013).

⁵ Neal McCluskey, "Response: Leave it to the Private Sector," (Boston Review, 2012), <http://goo.gl/BcTjI> (accessed March 1, 2013).

⁶ Arthur J. Reynolds et al., "Long-term Effects of an Early Childhood Intervention on Educational Achievement and Juvenile Arrest: A 15-Year Follow-up of Low-Income Children in Public Schools," *The Journal of the American Medical Association* 285, no. 18 (2001) <http://goo.gl/O4EsP> (accessed March 1, 2013); ———, "Age 21 Cost-Benefit Analysis of the Title I Chicago Child-Parent Centers," (Institute for Research on Poverty, 2002), <http://goo.gl/fntdd> (accessed March 1, 2013).

⁷ Arthur J. Reynolds et al., "Age 26 Cost-Benefit Analysis of the Child-Parent Center Early Education Program," *Child Development* 82, no. 1 (2011) <http://goo.gl/10Bcf> (accessed March 1, 2013).

⁸ "History of Funding," (Michigan Department of Education), <http://goo.gl/0u7R2> (accessed March 1, 2013).

Great Start is not nearly as intensive of a program as the Perry, Abecedarian or the CPC. School districts providing a continuing program need only provide services for three hours per day, four days a week for 30 weeks to get funding through Great Start.⁹

To expect Great Start to produce similar results to that of these other programs when its resources, structure and targeted population differ so greatly is wrong. As Russ Whitehurst of the Brookings Institution put it recently, “[G]eneralizations to state pre-K programs from research findings on Perry and Abecedarian are prodigious leaps of faith.”¹⁰

But what of the evidence of large-scale programs, including studies of Great Start itself? The results from these studies lead to my second concern: **The evidence of the long-run effects of large preschool programs is not encouraging or inconclusive at best.**

The mother of all large-scale preschool projects is the federal government's Head Start program. Head Start has been around since the 1960s, and serves a more disadvantaged population and devotes more resources per participant than Great Start.¹¹ It also provides more “wrap around” services to children, such as those aimed at boosting family engagement, social and emotional development and physical wellbeing.¹² Based on these inputs, one might reasonably expect Head Start to have a better chance of producing long-run effects than state-run programs like Great Start.

Researchers have been conducting high quality studies of Head Start for decades, including those using the “gold standard” of social science research —random assignment methodology. The most rigorous of these, including recent studies conducted by the Department of Health and Human Services which administers the program, suggest that while Head Start produces short-run effects for students, all the academic and social benefits fade out in just a few years, as early as third grade in most cases.¹³

The evidence from large, state-run programs is not as well-researched, but it's not encouraging. Oklahoma began a universal preschool program in 1998, which is often considered a “high quality” program. Yet when looking at the fourth-grade reading and math results of Oklahoma's

⁹ “The Great Start Readiness Program & Head Start: At-a-glance,” (Michigan Department of Education, 2011), <http://goo.gl/UcimT> (accessed March 1, 2013).

¹⁰ Grover J. “Russ” Whitehurst, “Can We Be Hard-Headed About Preschool? A Look at Universal and Targeted Pre-K,”(The Brookings Institution, 2012), <http://goo.gl/NFu6O> (accessed March 1, 2013).

¹¹ Ibid.

¹² “About Head Start,” (U.S. Department of Health and Human Services, 2013, 2012), <http://goo.gl/H0CLl> (accessed March 1, 2013).

¹³ Michael Puma et al., “Third Grade Follow-up to the Head Start Impact Study,”(Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services, 2012), <http://goo.gl/HiHYU> (accessed March 1, 2013).

students on the National Assessment of Educational Progress, there is no evidence that Oklahoma's universal preschool program had any effect on boosting scores.¹⁴ Graduation rates have not risen and traditionally stubborn racial achievement gaps remain as well.¹⁵

The results are somewhat better in Georgia, another state with a large preschool program, but not much. A Stanford University study found that Georgia's large-scale preschool program had lasting effects for some targeted groups of students, and suggested public resources could be used more efficiently by targeting specific groups of students instead of providing a broad program.¹⁶ Overall, test results from the NAEP have improved slightly, but graduation rates and achievement gaps haven't budged.¹⁷

Of course, these states both could have made other educational policy reforms that influenced these results for the worse, and perhaps that's the case. But that just demonstrates another shortcoming of the "silver bullet" preschool argument — it largely ignores the remaining 13 years of a student's education, which, obviously, can have an impact on a student's chance of future success.

Despite these findings from other states, there is some research on Great Start that suggests it does in fact produce long-term, positive effects. For instance, a study last year matched a few hundred students who enrolled in Great Start in 1995 with demographically similar students who did not. It found that the Great Start students were less likely to repeat a grade — 37 percent to 49 percent, respectively — and more likely to graduate high school on time — 57 percent to 43 percent, respectively.¹⁸ The academic outcomes of these Great Start students are far below what we would ultimately like to see for all Michigan students, but it is encouraging that they bested their peers in the control group.

There are two major reasons to treat these results with caution, however, and they both deal with what researchers call "selectivity bias." First, the data researchers used to draw these conclusions were volunteered by only some Great Start centers and were, in the researchers' own words, not

¹⁴ Andrew Coulson, "'High Quality' Pre-K States Show Mixed Results," (Cato Institute, 2013), <http://goo.gl/ffJ9C> (accessed March 1, 2013).

¹⁵ Shikha Dalmia and Lisa Snell, "The Dispiriting Evidence on Preschool," (The Wall Street Journal, 2013), <http://goo.gl/OFTNe> (accessed March 1, 2013).

¹⁶ Maria Donovan Fitzpatrick, "Starting School at Four: The Effect of Universal Pre-Kindergarten on Children's Academic Achievement" (Stanford Institute for Economic Policy Research, Stanford University, 2008), <http://goo.gl/6OtTC> (accessed March 1, 2013).

¹⁷ Dalmia and Snell, "The Dispiriting Evidence on Preschool," (The Wall Street Journal, 2013), <http://goo.gl/OFTNe> (accessed March 1, 2013).

¹⁸ Lawrence J. Schweinhart et al., "Michigan Great Start Readiness Program Evaluation 2012: High School Graduation and Grade Retention Findings," (HighScope Educational Research Foundation, 2012), <http://goo.gl/8J3G3> (accessed March 1, 2013).

“a statistically representative sample of the districts of the state.”¹⁹ Therefore, it is possible that the data suffered from a selectivity bias, meaning that the Great Start programs that volunteered to share their data with researchers might have tended to be those that knew they had positive results to share, while those that did not have positive results opted not to participate in the study. The study’s methodology was not able to control for this.

Secondly, the study was not able to control for the possibility that the students whose parents actively enrolled them in Great Start might have been advantaged in some way that was unrelated to demographics or socioeconomic status. That the parents of these Great Start children were motivated enough to enroll their children in a voluntary preschool program suggests that this could be a factor. In the end, it is plausible that the students whose parents enrolled them in Great Start would have graduated at a higher rate anyway, perhaps because their parents were more engaged in their education than the parents of their peers. To the extent that this was the case, it casts doubt on what the actual impact that Great Start had on these students.

My final concern with expanding Great Start in the manner that is being proposed is that it **threatens to crowd out private providers of preschool programs that currently cost taxpayers nothing.**

There is some evidence from other expansions of early education and childcare programs that this is a real possibility. The province of Quebec expanded to a taxpayer-funded universal preschool and childcare program in the late 1990s. According to one study, about one-third of the increased enrollment in this taxpayer-funded program was the result of families just shifting from a private preschool paid for at their own expense to one subsidized by taxpayers.²⁰

While it’s estimated that about 30,000 four-year-olds are currently eligible for Great Start but not enrolled,²¹ we do not know how many of these students are already enrolled in privately provided preschool programs, with which their parents may be perfectly satisfied. If Great Start is expanded, the extent to which these families move from private programs to taxpayer-funded ones is essentially creating a government “solution” to a problem that does not exist. Further, it would provide a subsidy to families that can already afford preschool without taxpayer money. About 83 percent of all children nationwide are enrolled in some form of early childhood

¹⁹ Ibid.

²⁰ Michael Baker, Jonathan Gruber, and Kevin Milligan, "Universal Childcare, Maternal Labor Supply and Family Well-Being,"(National Bureau of Economic Research, 2005), <http://goo.gl/ZX2Oc> (accessed March 1, 2013).

²¹ Ron French, "30,000 Lose Out on Pre-K Classes,"(Bridge Magazine, 2012), <http://goo.gl/TL3hA> (accessed March 1, 2013).

educational program, suggesting that expanding Great Start will only be successful at the margins in enrolling children whose only options are Great Start or nothing.²²

To conclude, let me dissuade you of the notion that I'm arguing that there are no benefits to preschool. Clearly, there are since the vast majority of Americans choose to enroll their children in educational programs before kindergarten. Children benefit whenever they can spend more time in an environment that is more nurturing and safe than the one they have at home. This is no doubt the case for some students in Great Start, but it is hard to determine how large of a problem this actually is, in part because the argument for expansion focuses on this supposed "return on investment" for taxpayers instead.

On that count, I am not convinced, based on the research that I have laid out before you today, that Great Start can deliver on these promises.

If state government is going to finance more preschool, a better approach would be to create small and targeted programs — to fund Perry Preschools in the neediest communities in Michigan. While the success of programs like Perry and Abecedarian has not been successfully replicated or scaled, they still represent a chance to help those children most in need and to produce a return on investment for taxpayers. Every dollar we spend expanding a large-scale program is money the state cannot spend on programs that stand a better chance of delivering the lofty promises made by preschool proponents.

These targeted programs would need to include far more resources per participant than what Great Start currently provides. They would be small and locally administered, with only minimal interference from state bureaucracies. They would only be available to families and children who are in the greatest need of preschool provision and who stand to gain the most from such interventions.

While I may disagree with others on the potential benefits of expanding Great Start, I think that most would agree that spending on preschool should be prioritized to fund programs that have the best chance of benefiting the most disadvantaged children in the state.

Thank you for your time and consideration. I'll be happy to answer any questions.

²² Kristin Denton Flanagan, Cameron McPhee, and Gail Mulligan, "The Children Born in 2001 at Kindergarten Entry: First Findings From the Kindergarten Data Collections of the Early Childhood Longitudinal Study, Birth Cohort (ECLS-B)," (National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education, 2009), <http://goo.gl/SG48C> (accessed March 1, 2013).