MEMORANDUM TO THE VICE PRESIDENT AND ELAINE KAMARCK

FROM: JON SCHNUR
DATE: APRIL 24, 1999
RE: AFTER-SCHOOL AND KEEPING PUBLIC SCHOOLS OPEN LONGER

You have long championed the expansion of quality after-school programs, and this memo outlines a package of strategies to dramatically expand the availability of quality after-school programs and help keep public school buildings open longer to reflect the realities of the 21st century. The initiatives described below include keeping every public school building across America open longer for quality after-school programs, providing after-school vouchers or tuition payments for students in failing schools to provide them immediate assistance while aggressive measures are taken to improve the quality of their schools; providing tax breaks to help working and middle-class Americans pay for after-school programs, and a national demonstration program providing incentive grants to help several hundred schools extend the school day and/or school year in order to evaluate the results of changing school schedules initially established to meet the needs of an agrarian society in the 19th century to better reflect the needs of the 21st century.

BACKGROUND

thousand?

There is rising demand across the nation for quality after-school programs. In 1997, there were at least 28 million school-aged children with their only parent or both parents in the workforce, and there are an estimated 5 to 17 "latchkey" children who are at home unsupervised in the after-school hours at least once a week. While public school building schedules were initially established to reflect the needs of an agrarian society, they do not generally reflect the need of working families with hectic schedules on the eve of the 21st century. As of the '93-'94 school year, only 30% of elementary and middle schools offered after-school programs, and a 1998 study showed that 48% of schools offer some kind of learning program in the after-school hours but that only 24% did so to a moderate or great extent. Many did so for only an hour a day.

Research shows that extended learning time programs can improve student achievement, when coordinated with challenging curricula and effective instruction during the school day. Moreover, effective schools tend to extend learning time in reading and math. In a recent study of school performance in Maryland, 86% of high-performing, high-poverty schools extended time for reading, and 66% did so for math.

Parents want after-school programs for their children and they are especially interested in their children getting enrichment in technology, the arts, basic skills (especially among minority families), and community service (especially among middle school parents). And juvenile crime peaks during the after-school hours, creating a need to provide our children with a safe, constructive environment after-school.

You have championed the increase of federal after-school funding through the expansion of the 21st Century Community Learning Centers program, with some advocates referring to this now as "the Gore money." This program grew from $1 million two years ago to $40 million last year to $200 million this year, and the Administration has proposed $600 million for the initiative this year. Mayors and Governors have also placed a major focus on after-school, with Governor Carper making it one of NGA's top issues and the Mayors' Summit on education last year doing the same.

There is some debate among the education community, the child care community, and community-based organizations about who should receive federal after-school funding. But there appears to be strong support among the public, in the Administration, and in Congress for focusing after-school funding mostly on schools. The Administration is generally providing 21st century funding only to those applica~~tions~~nts that demonstrate close collaboration between the school and community organizations, and many school-based after-school programs are ~~even~~ being run by organizations like the YMCA. The Administration has also advocated unsuccessfully for permitting a small portion of 21st century funding to be granted directly to community organizations. Finally, the 21st century initiative has been complemented by Administration proposals to increase funding for the Child Care and Development Block to provid~~ing~~e subsidies to help low- and moderate-income families pay for child care (including after-school) and for expanded tax credits to help families pay for child care (including after-school) as well.

OPTIONS AND COST ESTIMATES FOR AFTER-SCHOOL INITIATIVES.

Below are several possible elements of an after-school strategy that could be proposed individually or as a comprehensive strategy to make quality after-school programs available all across America. *The entire package could cost $3.5-$9.4 billion a year in addition to expanded ~~tax breaks~~.*

A) Making available after-school programs in every public school -- $2-7 billion. This initiative could build on the Administration's 21st century learning center initiative that will support programs at nearly 2,000 public schools this year. This initiative typically keeps open public school buildings for at least three or four additional ~~four~~ hours -- often more, and they serve between 100-200 children at each school. Expanding this initiative to support or expand a program in every public school in the nation -- rather than just the small subset of higher-poverty schools supported under the current program -- would require an annual cost of $7.4 additional billion. Requiring a 50% state, local, or private sector match would bring the federal cost down to about $3.7 billion. The initiative could be designed to scale up to this annual expenditure over several years.

Limiting this initiative to schools serving students in grades 1-8 would bring down the cost considerably -- rising to an annual cost of about $5.4 billion over the Administration's FY2000 request and about $2.7 billion with a 50% state, local, or private sector match. Excluding the wealthier schools could bring the cost down to about $2 billion a year.

A number of program design issues should be explored, including changing it from a competitive program providing funding directly from the federal government to schools into a formula program to states in order to accommodate the program's size; exploring whether to permit some of this funding to go directly to organizations other than schools; exploring whether to maintain the limited duration of grants under the current program (3-5 years) or to provide funding indefinitely. Creative approaches could promote the provision of performance-based charters or contracts to after-school programs that could be revoked by the school's parents, the school district, or another entity if the program is not succeeding -- and provided to another group of teachers, another school, or outside organization to take over the program in the same school building. This proposal could also require federal funds to be used primarily for at-risk children at each school, while encouraging the use of local, and private funding, and a sliding scale of parent fees for other children.

B*) Offering a "voucher" or payment that any child attending a failing school could use to pay for a quality after-school program -- approximately $1.3-$2.2 billion.* This initiative could be coupled with the Administration's soon-to-be announced proposal reauthorizing the Elementary and Secondary Education Act which would ~~to~~ require states receiving federal funding to identify and turn around failing schools. An after-school voucher would give all students in these schools an immediate opportunity for a quality education, at the same time that serious measures are being taken to turn around their school.

This proposal would ~~also~~ help address growing public concerns about children trapped in failing schools. Coupled with aggressive efforts to identify and turn around failing schools, it would also provide a sensible and appealing alternative to Republican proposals such as the Jeb Bush measure about to become law in Florida targeting private school tuition vouchers to students in failing schools. This proposal would help all of the students in a failing school - rather than the few that would benefit from private school tuition vouchers -- and would give frustrated parents a tool to help improve their children's education while their school is ~~getting~~ being turned around.

One side effect of this funding might be

The proposal would target after-school funding to the children most in need of additional support and learning. ~~But this targeted funding could also create~~ a proliferation of after-school programs that would be available to serve other students in the community.

Assuming an average cost of $1,000 for after-school programs, an estimate that 5% of schools could be identified as "failing" at one time, an average school size of 550 students, the annual cost could be approximately $2.2 billion. Assuming that 3% of schools would be identified as failing at one time, the annual cost could drop to approximately $1.3 billion.

Important program design issues include what standards would be placed on after-school programs receiving these vouchers. This will affect the quality of after-school programs and the level of support or opposition from some of the key national education organizations who until recently have opposed this kind of idea, but whose views appear to be softening. One approach would be to let the tuition payments be used at any public school or ~~any~~ after-school other program certified as high-quality by the local school district or state, but this needs further analysis. While families would presumably not receive the voucher indefinitely after their child's school had improved, we might also consider some kind of phase-out in order to avoid upsetting parents who become accustomed to the voucher and are not immediately convinced that their child's school has improved simply because it has been removed from a state or local list of failing schools.

C. Tax breaks for parents paying for after-school programs. A number of options can be explored to help working and middle-class families pay for after-school programs. Coupled with proposals above to expand the availability of quality after-school programs (and permitting those programs to charge parent fees, perhaps sliding fees based on family income), a tax break could dramatically expand access to quality, affordable after-school programs for working and middle-class Americans.

Options for a tax break include an expansion of the current child care tax credit (which currently supports child care -- including after-school -- for children up to age 13); the creation of a new tax credit covering parents' educational expenses for their children (not including tuition at private schools) including after-school programs, summer school, and school supplies; or a tax deduction rather than a credit for these educational expenses.

D. Demonstration program for extended school-day or school-year for all students. -- $200 million. Some schools around the country are experimenting with extending the school day or school year in order to give students more time to learn -- and to change the schedule of public schools to reflect the information age of the 21st century, rather than the agrarian society of the 19th century. This approach can help meet the needs of working parents, give students more time to reach the rising standards needed to succeed in today's economy, provide more time for teacher professional development during the school day, and enable "after-school-like" programs to be offered by community organizations and supported by volunteers at different points during the day and year. Extending school throughout the year could also address the well-documented losses in academic progress that take place in the long 3-month period between school years, which are especially significant and damaging for disadvantaged students with less exposure to learning and reading over the summer.

Major challenges include the high costs of adding time and days to the school calendar, the difficulty of changing well-established expectations about the length of the school day and year among students, parents and the communities, logistical and organizational challenges. Moreover, some extended day or extended year proposals at the local or state level have not included salary increases proportional to the increased time required of teachers and other staff and have not reflected a consensus about working hours and conditions for teachers-- sparking major concerns from the unions that represent them.

A demonstration program could offer 100 "clusters" of high schools and their feeder middle and elementary schools "incentive grants" to extend the school day and/or school year for five years and provide funding for a large-scale evaluation of the impact on student achievement, on teacher quality, and on levels of parental satisfaction with the schools.

Program design issues needing analysis include whether to require that any funded program require agreement from the collective bargaining units representing school staff and whether to require payment of salaries proportional to the extra time worked. Moreover, some school districts may face administrative difficulties in keeping a few of their schools open throughout the year.

MEMORANDUM TO THE VICE PRESIDENT AND ELAINE KAMARCK

FROM: JON SCHNUR
DATE: APRIL 23, 1999
RE: MAKING PRESCHOOL UNIVERSALLY AVAILABLE

You have called for making preschool universally available in communities across the nation. This would be one of the most significant, and expensive, education proposals ever enacted at the national level -- probably requiring more profound change and greater resources than any education proposal offered by the Clinton-Gore Administration. Many argue that this investment would make a profound difference in the education of the nation's children, especially for those coming from disadvantaged families.

A number of factors complicate the design of this initiative, including the extremely high cost of fully funding a universally available preschool initiative that meets the needs of working families and the wide array of existing preschool and child care providers backed by powerful constituencies that have a stake in how this initiative is designed and an ability to affect both the public reaction to your proposal and your candidacy.

This memo provides relevant background and context for some of the important choices and tradeoffs that could affect 1) the scope and likely impact of the initiative, 2) the level of support or opposition we could expect from important constituencies like the teacher unions, the child care community, and the Head Start community, 3) our ability to get experts to provide important validation of the initiative to the press, and 4) your ability to appear fiscally responsible in an era of balanced budgets. The memo offers some preliminary options to enable any interested state in America to make universally available high-quality, voluntary preschool that meets the needs of working families.

BACKGROUND INFORMATION:

High-quality preschool can have a strong effect on cognitive and social development, as well as on success in school, especially for disadvantaged children. Considerable research shows that quality preschool and early childhood programs can produce higher IQ scores in the short term, higher reading scores and lower retention rates and placements in special education in the medium-term, and higher rates of high-school graduation and better social adjustment in the long-term. Quality of programs influence outcomes considerably, and major factors affecting quality include class size, teacher quality and training, and parental involvement.

The most significant and respected study of the long-term effects of preschool (the High/Scope study of the Perry Preschool in Ypsilante, Michigan) showed that the low-income, at-risk African-American children attending two years of preschool were far more likely than their peers not attending preschool to have higher levels of literacy, graduate from high school, have higher salaries, be homeowners, and get married and were far less likely to have out-of-wedlock children or be arrested.

Critics of universal preschool programs argue that there isn't a research base to suggest that large-scale preschool programs can produce the kinds of benefits seen in the kind of small, model program in the High-Scope study, or to suggest that children from wealthier families will reap the same kind of benefits from preschool programs as do disadvantaged children. In fact, the research on these points is somewhat mixed -- a few studies show that larger-scale programs do produce long-term benefits such as higher graduation rates while others while others show only short-term benefits to children that "fade out" with time. The limited research on the impact of preschool on non-poor children is somewhat mixed -- at least one study does show significant benefits among children in families between 100 and 200% of poverty, but some studies show no long-term effect among the non-poor, and at least one study shows that children in wealthier families in child care perform a bit worse academically than their peers not in child care. Given that six out of seven child care centers provide care that is rated mediocre to poor, the results from the latter study (on child care) may not be directly applicable to preschool.

While overall rates of preschool participation are rising, children in low-income and Latino families are enrolled in preschool programs at far lower rates than others and the gap is widening. In 199~~5~~ 6, about 61% of four-year-olds and 37% of three-year-olds were enrolled in preschool programs, up from 53% and ~~31~~ 28% ~~four~~ 5 years earlier. Children in families with annual incomes over $50,000 participate in these programs at far higher rates than others, with 81% of these four-year-olds in preschool (compared with approximately 50% of children in families with incomes under $35,000) and 61% of these three-year-olds in preschool (compared with 27% of children in families with incomes under $35,000). Latino children participate at far lower rates than do White or African-American children, with 20% of Latino three-year-olds and 49% of Latino four-year-olds participating in preschool. Latino preschool participation rates are stagnant, while participation rates for children of other races are rising quickly. The gap is also widening substantially between three-year-old children in wealthier families and others, while this gap is holding fairly steady among four-year-olds. The groups experiencing by far the least increases in preschool participation are three-year-old children in the poorest families, four-year-old children in families with annual incomes between $20,000 and $35,000, and Latinos.

There are a variety of preschool and child care providers now, each with fairly powerful constituencies that have a stake in any new initiative and each with a pot of federal funding that others cannot use. Public investments in a variety of early childhood programs have been rising, and preschool children are enrolled in Head Start programs, child care centers, preschools offered by local school systems, as well as in private nursery schools and increasingly in voluntary preschool programs funded by states.

Head Start currently serves 835,000 poor children, approximately 40% of those who are eligible, and received $4.6 billion in FY99. In January, you announced the Administration's proposal to increase funding by $600 million and in order to make the largest increase ever enacted in Head Start and keep on track to the Administration's goal of serving one million children by early next century. Head Start is a competitively funded program with funding going directly from the federal government to local programs serving only children in families below the poverty line.

The Head Start community is a powerful constituency and feels very strongly about preserving the program in its current form. There is also a broad consensus about the need to improve quality in Head Start programs, and the Administration and Congress have worked across party lines to make targeted investments and changes to improve quality. In fact, a substantial portion of increased appropriations for Head Start over the next few years will be used to improve quality, rather than to serve more children.

The Child Care and Development block grant currently provides $3.1 billion to provide child care subsidies for nearly one and a half million children birth to age 13. Because of the great demand for child care and relatively limited funding, only one in ten children eligible under federal law are currently benefiting from this subsidy. 200,000 people are on the waiting list in California alone, and in some states, families with income as low as $20,000 are not even eligible. Again, quality is a major issue, with one report finding that six in seven child care centers are mediocre or poor and research making clear the high or low quality of care can have a significant impact on children. The Administration is proposing major increases in this program as part of its child care initiative.

Funding from the federal Title I program -- the largest source of federal aid to K-12 education -- can be used by local school districts to support preschool programs. Local school districts are using approximately $200 million [*confirm*] for preschool programs. Meanwhile, states are providing an estimated $1.5 billion for preschool programs in 37 states serving approximately 300,000 children, with Georgia and New York passing initiatives to make preschool universally available for four-year-olds in their states and a similar initiative under serious consideration in Alabama.

Georgia's universal pre-K program was established in 1993 to provide Georgia's 4-year-old children with high-quality preschool experiences. Funded by the Georgia lottery, the program serves more than 60,000 4-year-olds in '97-98 at a cost of $210 million. Participation is voluntary both for families and for schools and preschool programs. This has grown from a $2.9 million pilot program serving 750 children in 1993. The classrooms are in a variety of settings, including public schools, churches, and community organizations. Organizations eligible for funding include government agencies such as school systems, and private (not-for-profit and for-profit) organizations. There is a maximum of 20 children in a classroom, supervised by a lead teacher and an assistant teacher, and maximum student-teacher ration of 10. The program lasts 6 ½ hours, and some centers offer child care or programming for additional time. Parental satisfaction levels have been high.

Your proposal could generate criticism that you are trying to force or encourage parents to send their three and four year-olds off to school. Critics will try to tap into parental concerns about sending children off to school at such an early age, will argue that some research suggests that child care may actually be harmful to young children, and will try to portray your initiative as an effort to substitute big government for parents in raising their children. The arguments are a bit overstated, since 80% of children in families with incomes above $50,000 (those that can most easily afford it) are already choosing to send their four-year-old children to preschool. But to defuse these arguments, it seems very important to emphasize that your initiative would make *voluntary* preschool available for any family that wants it, enabling families to make the choice that's right for them. It also may be prudent to couple a preschool proposal with new policies to make it easier for families to be with their children.

Quality issues and shortages of qualified staff. Any initiative to invest in preschool, childhood education, and child care must place a strong focus on quality. The research demonstrates that the quality of a program significantly affects student outcomes, raising concerns that low-quality child care or preschool could prove harmful to children. Perhaps the most significant issue affecting quality is the shortage of qualified, well-trained staff exacerbated by low salaries, a scarcity of good training, and -- some suggest -- class size reduction efforts in the early grades that may draw better early childhood educators into elementary classrooms. Other issues include class size, quality of curricula, and -- in the case of many though not all child care centers -- a focus on warehousing kids rather than focusing on education and child development. Skeptics will argue that it will be difficult to design a high-quality large-scale program, and it will be essential to demonstrate how this initiative will assure quality.

Program Design Options and Preliminary Cost Estimates:

The cost required to make high-quality free school free for all 3 and 4-year olds across the nation would be approximately $64 billion a year, assuming an average per-pupil cost of $8,000 a year for high-quality, full-day preschool. If you assume the $5 billion proposed by the Administration in FY2000 is enacted, the cost would be an additional $43 billion a year.

Below is a brief analysis of issues that will lower the cost and/or dramatically affect the nature, scope, and impact of this initiative. If you accept the options below the annual cost to the federal government-- once fully phased in -- could be roughly $5.5-$9.6 billion. That includes some features that will limit the scope of this initiative. It does not include any child care or family policies that could accompany a preschool proposal.

1) Making voluntary preschool universally available for any family that chooses it. I strongly recommend making clear that this initiative would make it possible for any interested state to make universally available high-quality, voluntary preschool for those families that choose it. The term "universal preschool" could generate strong opposition to the notion of compulsory preschool, and will be twisted to suggest that you want big government to replace parents as the primary way to raise young children. It seems crucial for this initiative to support voluntary preschool and make it possible for families to make the choice that is right for them. In order to address concerns of those who argue that directing substantial public resources to preschool will discourage people from providing home-based care, it may be prudent to couple a preschool initiative with new policy to make it easier for parents to be home with their children. *Assuming that 75% of eligible families would choose to participate, this brings the annual cost to $43 billion.*

2) Additional options for bringing down the cost.

A) Requiring a 50% state match. The clear benefit here is cutting the federal cost of the initiative in half. In turn, states could provide a sliding scale of support for local communities, providing the greatest support for communities with the least resources. *This would cut the federal cost to $21.5 billion a year.*

B) *Provide flexibility for states to choose whether to make preschool universally available or to simply expand the supply of high-quality preschool through additional investments to expand state-funded preschool, strengthening Head Start, or enhancing the educational services provided by child care programs.* Your initiative could help 20 states make preschool universally available and enable other states to choose among the preschool investments listed above. This would build dramatically on legislation recently introduced by Senators Kennedy and Stevens -- S. 749, the Early Learning Trust Fund -- that would provide $10 billion over five years that could be used by states to choose among these preschool investments. Designing the initiative in this way could help secure support from Senators who will feel some degree of ownership over this bill, while enabling you to go well beyond their proposal by making it a goal to enable interested states to make preschool universally available. *This approach would bring down the cost to $9.8 billion* (including $8.6 billion for the 20 states making preschool universally available and another $1.2 billion for other states consistent with the Kennedy-Stevens bill).

C) Supporting one year of preschool, rather than two. This would cut the cost significantly, but I don't recommend this approach for several reasons, First, the brain research driving much of the interest in preschool emphasizes the importance of brain development by age 3, and limiting support to one year will make it harder for you to show how your agenda draws on this research that has garnered so much interest from you and around the country. Second, the gaps in preschool participation rates between children in lower vs. higher income families -- and between Latino children and White children -- are *dramatically* higher for three-year-olds than for four-year-olds. Supporting two years of preschool will enable you to point out these dramatic gaps, saying that roughly 27% of children in lower-income and middle class families get two years of preschool, -- and only 20% of Latino children -- compared with 61% from families earning above $50,000 a year. Moreover, this gap in two-year preschool enrollments is worsening dramatically, with increases in participation rates by relatively wealthier students doubling that of lower and moderate-income students, and preschool participation by whites growing nearly five times more quickly than for Latinos. *This approach would bring down the cost to approximately $5.5 billion.*

C2) Alternatively, you could establish a goal of two years of preschool, but provide flexibility for states if they want to provide one or two years. If funds were set aside for 10 states to provide two years (including support for the two states, Georgia and New York, already offering preschool for 4-year-olds to expand to a second year) and ten states to provide one-year. *While preserving your ability to emphasize the importance of two years of preschool, this approach would bring down the cost to approximately $7.2 billion.*

D) Using a sliding scale involve fees for higher-income families, rather than making preschool free for all. This would cut the cost and still focus on families with the greatest needs, make preschool free for two thirds of children in states participating in the universal preschool program, and still provide some support for families with relatively higher incomes. If a sliding scale began at 90% of the tuition for families just over 200% of the poverty line and dropped to 10% for the wealthiest families, the cost could drop to *an estimated $4.8 billion if states participating in the universal voluntary preschool program were limited to one year, $8.4 billion at two years, and $6.2 billion for the hybrid approach described in C2 above.* (These are very rough estimates, because we would need to analyze more carefully the impact of take-up rates for wealthier families who receive partial subsidies.)

For several reasons, however, I am not sure this approach is a prudent one. The savings generated from charging fees to better-off families are not enormous. Moreover, a great appeal to your proposal is to argue that preschool should bring together families from all backgrounds by making it free and universally available. Also, broadening the appeal to all families will probably help secure the support needed to enact a massive investment like this that is targeted so heavily at families in need.

E) Full-day vs. half-day. This memo assumes that preschool programs supported by this program would be full-day, because part-day programs can be very inconvenient for working parents who would need to pick up their kids or arrange for them to be moved to child care. It is possible that preschool programs could be designed creatively (by co-locating at sites with child care centers, for example) and perhaps should be flexible in meeting the needs of working families by providing part-day and full-day options. But most preschools would probably need to at least offer full-day programs, since 50-60% of preschool aged children are in homes with two working parents (though some are part-time) or a single working parent. This issue clearly needs further analysis, but unless your proposal supported *only* part-day programs (something I would recommend against for reasons described above, and would probably generate opposition from the child care community), these changes are unlikely to change the magnitude of the cost of this initiative. Nonetheless, it will be important to explore this issue further in order to design and enable you to describe a program that truly meets the variety of needs of working and other families.

3) Other significant issues needing analysis and attention. For substantive and political reasons, the following issues still need to be analyzed and resolved. Resolution of these issue will not affect the cost of the preschool initiative alone, but they are important to resolve before you lay out your vision and plan for preschool and early childhood.

A) Delivery system. A major design issue is whether states could provide funding to a wide array of preschool providers, or just to public school systems. The Georgia plan provides funding both to public school systems and to private providers that agree to provide the public preschool program, and it is difficult to imagine a politically feasible initiative that restricted funding to public school systems. However, it will be crucial for us to discuss this further with key education groups to gauge their reaction -- many education groups have expressed interest in expanding the K-12 system and may not be initially enthusiastic about another approach. One of their concerns will be the impact of this proposal (and funding for private preschool providers) on arguments they and you make against using public funding to support vouchers for tuition at private K-12 schools.

The powerful Head Start community will argue very strongly that this program should be preserved and not folded into a larger program. It will be important for you to include any announcement of a preschool initiative strong support for the Head Start program.

These are major issues with implications for the design of this proposal and for the levels of support to be expected from these groups. Considerable work is needed to flesh this out in a substantively useful and politically savvy way.

B) Child care. The Child care community will express serious concern if you appear to favor only investments for 3 and 4 year olds, rightly pointing out the dramatic lack of affordable, quality child care for children 0-3. Your announcement should signal some kind of support for child care for children 0-3, but we need to work out the specifics of this.

C) Needs of stay-at-home parents. Again, some will argue that this initiative will encourage parents to send their young children off to school. In addition to making clear that your initiative will support only voluntary preschool, it seems important to include in any announcement of a preschool initiative support for some kind of policy to help stay-at-home parents. Examples include tax credits and expansions of family leave policy, but more thought is needed here.

D) Quality. This is discussed above, but further work is needed to design an initiative that would assure some level of quality. Issues will involve what kinds of standards to set at the national level for this program and/or what kind of licensing, accreditation, or standards will need to be established by the states.