

## Early Education Cost Effectiveness

With limited state dollars available for early education, we must ensure we're stretching our tax dollars, so we can help as many at-risk children as possible. Here are three ways to do that:

**INSIST ON BEST PRACTICES USE.** Research by Federal Reserve Bank of Minneapolis economists finds that every \$1 invested to give low-income children early education yields up to \$16 in societal returns. The benefits include lower taxpayer costs related to special education, social services, health care, income supports, law enforcement and prisons. But, those gains only materialize when investing in the type of high-quality early education programs that prepare children for school. Investing in low-quality programs that don't prepare children for school doesn't produce that same return-on-investment (ROI). In fact, research indicates that low-quality programs can actually set children *back*.

- Early Learning Scholarships, Head Start and Universal Pre-K (UPK), called Voluntary Pre-K in Minnesota, all insist on the use of kindergarten-readiness best practices. The Child Care Assistance Program (CCAP) provides a bonus for programs using best practices, but it doesn't require best practice use.

**PRIORITIZE LOW-INCOME CHILDREN.** The 16-to-1 ROI cited above is available only for children from *low-income* families who otherwise couldn't afford quality programs. According to economists, subsidizing wealthier families yields little-to-no taxpayer ROI.

- Scholarships, Head Start and CCAP only invest in low-income children. UPK subsidizes wealthier families who can already afford quality.

**INCLUDE LOWER COST OPTIONS IN THE MIX.** With UPK, families can only choose programs based in schools, with a few rare exceptions. With Scholarships, families can and often do choose programs based in schools. But, they also have the option of choosing a quality program based in a center, home, church or non-profit organization. A school-based UPK monopoly is not only too rigid to fit families' needs; it also forces taxpayers to finance the most expensive way of delivering quality early education. Based on an analysis by the RAND Corporation, for every one-million-dollar public investment, Minnesota taxpayers can purchase:

- 52,500 hours in a quality school-based program
- 132,000 hours in a quality center-based program
- 260,400 hours in a quality home-based program

Forcing parents to use the highest cost option means we can't help as many left-behind, low-income children as we can with the flexible, inclusive Scholarship approach.