



**Investing in
Early Childhood Education**

**San Jose Silicon Valley
Chamber of Commerce**

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Affirmations

This document was affirmed by members of the San Jose Silicon Valley Chamber of Commerce Education Committee.

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Executive Overview

This strategy paper is produced by the San Jose Silicon Valley Chamber of Commerce, a nonprofit organization located in San Jose, California that represents the interests of businesses in a major metropolitan area of more than 1.5 million people. An important theme of this paper is that research and practice show that an investment in early childhood education (ECE) delivers very high educational, economic, and social returns.

Children who participate in high-quality preschool are more likely to graduate from high school and go to college, typically have higher earnings over their lifetimes, and are less likely to commit crimes or require range of expensive social services as adults. Strong preschool education can contribute to improving student achievement and is essential to closing the achievement gap.

The Silicon Valley business community has a substantial interest in preschool education due to its economic, social, and employee ramifications. This community can play a key role, in a coordinated effort to raise awareness, build support, and participate in advocacy in support of universal, high-quality preschool in our region.

Introduction

Robust research shows that universal, high-quality early childhood education (ECE) can deliver significant academic, economic, and social benefits (Bay Area Council, 2009). Many children, especially those from low-income and minority groups, may never make up the achievement gap without good preschool (Karoly & Bigelow, 2009). In 2010 the obstacles to achieving these benefits in Silicon Valley are substantial. Our region's business community and the San Jose Silicon Valley Chamber of Commerce have a key role to play in moving Silicon Valley from its current ECE system to one that delivers fully on the promise of early investments in the educational attainment and life skills of the region's future workforce.

The San Jose Silicon Valley Chamber of Commerce is a 3,000-member nonprofit organization whose mission is to promote economic development and improve the quality of life in Silicon Valley. Few investments can support this mission more effectively than those that strengthen the region's education system, from preschool through graduate school. Numerous studies show that investments in preschool education deliver a significantly higher return than

almost any other investments. This return includes reduced grade retention and remedial education, lower crime rates, higher individual earnings and tax revenues, higher rates of college attendance, lower spending on social services, and higher productivity for parents (Karoly & Bigelow, 2006).

In 2010, our national, state, and local ECE system are patchwork systems. While an extraordinary amount of good work is being done with very limited resources, substantial needs remain unmet. Funding, facilities, workforce (recruitment, professional development, and retention), quality standards, and assessment are persistent challenges. The achievement gap in Silicon Valley among different ethnic groups of students starts to develop in part because of limited access to quality preschool opportunities for all children. On the positive side, there is a large body of research and practice that delineates the paths to progress. This position paper makes the case for business leadership in the effort to strengthen the region's early childhood education system and shows how businesses can contribute to this important work.

What is Preschool?

In recent years, "preschool" has become synonymous with terms like day care, childcare, home care, and family care. All of these programs provide critical services for working parents. Although preschool and day care may have similar requirements for licensing and accreditation, there are important differences between them. The emphasis in preschools that provide quality ECE is on building social and academic skills in order to create a foundation for success in school. A high-quality ECE program will have well-trained teachers who have at minimum a bachelor's degree, while people who supervise children in day care typically have less formal training and are focused on providing organized basic care to working parents (Karoly & Bigelow, 2006). Preschool is designed for children ages three to five, while day care can include infants and elementary school students. Children are often in day care for a greater proportion of the day than they are in preschool.

Home care and family care normally refer to childcare that takes place in the caregiver's or the child's home. These terms can include home preschools or day care centers. Home care and family care usually do not meet the same licensing standards that apply to state-supported and other preschools; family care is often unlicensed unless it serves more than six children.

This paper will use the term "preschool", to refer to activities designed to prepare three-to-five-year-olds for school through the development of academic and social skills.

A Global Look at Preschool Today

At a national level, 39 states provide some access to state-funded preschool programs and reach about 900,000 children. Head Start, the Federal program launched in the 1960s, provides preschool for another 900,000 students (Karoly & Bigelow, 2006). Access to preschool varies with ethnic background. “As of 2007, 63 percent of whites and 57 percent of Asian three- and four-year-olds attended preschool while 40 percent of African-Americans and 34 percent of Latino children are enrolled in preschool. Of the families considered to be in the ‘working poor’ only 19 percent of three- and four-year-olds are enrolled in preschool” (ibid).

In California, there are about three million children age five and younger, with about 21 percent of this number living in poverty. Overall, the state lacks sufficient funding, integrated quality standards, incentives for improvement, and broad awareness of best practices, and a system that supports the braiding and leveraging of existing best practices. Key state and federal funding streams that support preschool programming include CalWorks, California State Preschool Program (CSPP), and General Childcare, Early Head Start and Head Start and Title I.

Funding per child per year is about \$14,000 for infants and \$10,000 for preschoolers. The state spends about \$4 billion per year for these programs, which largely operate in silos (driven largely by different regulations for each funding stream, making it difficult to braid and leverage funds), are underfunded, and consequently change slowly. Other funders, such as First 5 California and First 5 Santa Clara County have made substantial investments, with good results, in promoting high-quality preschool.

In the 2008-2009 school year, according to the National Institute for Early Education Research, 9 percent of California’s three- and four-year-olds were enrolled in state preschool. When Federal and State Head Start, as well as students receiving special education preschool services are included, the state’s enrollment figure for three- and four-year-olds rises to 26 percent.

In 2008, legislation launched California on an effort to consolidate funding sources and raise the quality and accountability of early care and education programs. The Quality Rating and Improvement System (QRIS) is in use in 20 other states and seven counties in California. QRIS enables programs that serve birth-to-five children to be measured against a unified set of standards, rated on a quality scale (such as a star system), and to increase reimbursement from the

state when quality improvements are achieved. In 2008-2009, California's pre-K system achieved four out of a possible 10 stars on the 10 standards enumerated in existing QRIS programs.

Why Preschool Matters for Children

Numerous studies have shown that “the brain achieves 90 percent of post-natal growth between birth and age three (and that) learning during this early period ... lays the foundation for future emotional and cognitive development” (Bay Area Council, 2009). The Bay Area Council's 2009 study of early childhood education reported that “high-quality educational experiences during the years from birth to age five significantly improve not only school achievement, but also a range of social and economic outcomes throughout life” (Bay Area Council, 2009).

In asking why society should focus on children from birth through age three, a 2007 report by SRI International found that such focus is important because of extensive research that describes “(1) the dramatic growth and development of the brain during this period (2) ... the importance of consistent, responsive care-giving for all children, and (3) the need for high-quality care and education beginning as early as the first year of life” (SRI International, 2007).

The benefits of ECE are also available in a report highlighting the work of the California's P-16 Council (pre-kindergarten through higher education) under the leadership of State Superintendent of Public Instruction, Jack O'Connell. Their report, *A Framework for Closing California's Academic Achievement Gap*, makes 14 recommendations. The first is to provide high quality preschool programs for all children. The report goes on to state that, especially for minority children and those from low-income communities, starting young is one of the only ways to begin to make educational progress (California's P-16 Council, 2008).

Why Preschool Matters for Society

In 2006 the Committee for Economic Development noted that “widely accessible early childhood education programs will do more than prepare individual children for personal success: The economy will benefit from a better prepared workforce, increased employment opportunities, stronger growth, and rising standards of living, while society will benefit from less crime, enhanced schools, and children who are better prepared to participate in democratic processes” (Karoly & Bigelow, 2006).

Professor James Heckman, a Nobel Prize winning economist, has documented how greatest gains in developing productive citizens occurs when social and cognitive skills are combined at an early age. The Heckman equation states that if investment in early childhood education is added to the development of social and cognitive skills for children from birth to age five, and sustained with adequate education throughout adulthood, society will gain a substantial number of highly productive, successful citizens (Heckman, 2010).

Furthermore, the monetary benefits of investing in early childhood education are considerable. Research shows the Perry Preschool Project generated \$258,888 in benefits and \$15,611 in costs per preschool participant, a benefit-cost ratio of 17.01 to 1 (Lynch, 2005). The costs were due to running the high-quality early childhood program and the benefits were from reduced crime costs, reduced subsequent public school costs, reduced welfare spending, higher earnings, and higher taxes paid because of those higher earnings from the program participants. While this benefit-cost ratio may seem high, other studies have resulted in savings ranging from 3.78 to 1 (Abecedarian) to \$12.90 to 1. (Schweinhart et al, 2004).

Why Preschool Matters for California and Silicon Valley

A 2005 RAND study estimated that a high-quality, one-year, voluntary, universal preschool program in California could generate \$2.62 in benefits for every dollar of cost. The report states that such a program would also mean 14,000 fewer children ever experiencing grade retention; 9,100 fewer children ever needing special education; 10,000 more high school graduates; 4,700 fewer children with a substantiated case of abuse or neglect; and 7,300 fewer children with a juvenile petition (Karloly et al, 2005). Every year of special education avoided saves California more than \$8,400.

In his article “The New Homegrown Majority in California,” Professor Dowell Myers of the University of Southern California’s School of Policy, Planning, and Development wrote that for the first time in California’s modern history, the next generation of workers will have been born and educated in the state (Myers, Pitkin & Ramirez, 2009). This means that California can no longer depend on school systems in other states to educate its future workforce. Instead, California’s declining quality of education, starting in early childhood, will translate directly into a less skilled workforce and less innovation. Today’s preschool children are tomorrow’s employees, leaders, and innovators. Silicon Valley, where innovation is our economic lifeblood, will be hard pressed to stay competitive without a strong education system (Myers et al).

What is High-Quality Preschool in Silicon Valley?

The Partnership for School Readiness (PSR), First 5 of Santa Clara County, and other organizations have identified the following attributes as crucial to high-quality preschool:

- * well-trained and well-compensated teachers
- * appropriate curriculum
- * affordability for working- and middle-class families
- * small classes
- * ongoing assessment
- * strong health and safety standards
- * appropriate facilities and play materials
- * transportation as needed
- * community support

City/County-Wide Advocacy and Strategic Efforts to Support Preschool in Silicon Valley

The Silicon Valley Leadership Group (SVLG), an industry association of more than 300 companies, has articulated principles that it believes are crucial to developing high-quality preschool. These principles include access for all three- and four-year-olds, mandatory kindergarten, implementation of a robust, longitudinal student data system that covers preschool through university, an equitable reimbursement system for providers, effective preschool teacher and workforce development and retention, creation of pathways to becoming a preschool teacher, and the tools and resources support school districts in the development of infrastructures that support preschool programming as part of the education pipeline for students.

The Santa Clara County Early Learning Master Plan is a county-wide plan led by the Santa Clara County Office of Education and its partners that builds upon the previous accomplishments and investments made in early education in the county and will break new ground for conceptualizing preschool in the context of a birth to age eight developmental framework. Six principles have been identified that include: a developmental initiative of learning from birth to age eight, equitable access, collaboration, innovation, diverse delivery systems, and quality (Scott, 2010).

Key strategic areas for implementation include the following:

- * Articulation and alignment;
- * Workforce;
- * Parent engagement;
- * Data management;
- * Quality; and
- * Facilities (to support access to high quality services for young children).

Moreover, the ELMP is interconnected with SJ2020, for it will serve as the strategic plan for SJ2020's early learning efforts. Led by San Jose's Mayor Chuck Reed and Santa Clara County Superintendent of Schools Charles Weis, Ph.D., over 200 education, business, non-profit, and government leaders, have signed the SJ2020 compact and agreed to work together to eliminate the achievement gap in Silicon Valley by the year 2020 (McGurk, 2009).

In 2000, the City of San José established the Early Care and Education Initiative to improve the quality of educational experiences for young children. The result of this initiative was Smart Start San José --an educational collaboration between schools, parents, early childhood development professionals, businesses, community-based organizations, and the City of San José. Using and building on these community resources, Smart Start San José supports students in school, social, and--ultimately--lifelong success (Smart Start San Jose, 2010). The San José Redevelopment Agency, in partnership with the Early Care and Education (ECE) Services Unit of the San José Public Library, has invested nearly \$5 million in construction grants to childcare operators to build or expand childcare facilities. All funded sites must comply with the City's established Smart Start Program Quality Standards.

In addition, the ECE Services Unit has provided grants to improve program quality and also offers a free ten-month training program to support San José residents to establish quality licensed home-based childcare businesses through training that stresses the importance of quality child care and best practices. To date, the City of San José and its partners have created and/or upgraded 6,744 quality spaces in both centers and family child care homes (Smart Start San Jose, 2010).

Starting in 2004, ASR and Santa Clara County's Partnership for School Readiness (PSR) worked to assess kindergarten readiness across the county. Santa Clara County added surveys of parents and teachers to its data-gathering

work. Analysis of three years of data indicated that more than one in four children in Santa Clara County entered kindergarten with significant developmental needs in areas of self-regulation and language skills (Children Now, 2009). This work showed that preschool experience is a predictor of not just kindergarten readiness but future academic progress; those identified as “needs prep” (children who need further development) in entering kindergarten continued to lag better-prepared peers in third grade. In San Jose, nearly half of all public school students tested are not proficient in grade-level skills. This gap has narrowed just slightly over the last seven years (Santa Clara County Office of Education, 2009).

The Partnership for School Readiness says that readiness for school encompasses a child’s skills, family support, capabilities of the schools, and community values. For PSR there are four building blocks of individual readiness; kindergarten academics (a child recognizes all letters, primary colors, primary shapes, engages with books); self-regulation (pays attention; controls impulses; plays cooperatively; comforts self with adult guidance); social expression (engages in symbolic play; appropriately expresses needs; shows curiosity for learning); and self-care and motor skills (has general coordination on playground; performs basic self-help/self-care tasks).

PSR’s research has shown that proficiency in all four domains is correlated most strongly with language skills. They have found that kindergarten teachers rate self-regulation and self-care skills as most critical to successful entry to school. Teachers are able to influence academics and self-expression more than they can affect the others.

In Santa Clara County, about 70 percent of children are attending preschool of varying quality. Close to half of all children entering kindergarten in Santa Clara County are all-stars – proficient in all four categories. Twenty-nine percent of Latino children are all-stars when they arrive at kindergarten. Of all the county’s children, 10 to 13 percent are not proficient in any category, with 27 percent needing significant help in self-regulation and language skills. These deficiencies are significant because research makes clear that children who start behind stay behind, including especially English language learners. The gaps in readiness and achievement in Latino and Pacific Islander children grow over time (Partnership for School Readiness, 2008).

Summary

The Chamber is increasing its participation in a broad coalition to promote universal, high-quality, affordable preschool for all the county's children. This coalition includes member companies and the larger business community; policy makers; educators; and community groups who are focusing on pre-school. Key priorities for the Chamber that support its ECE mission include, but are not limited to:

- * Remain actively informed and advocate for state and local policies and legislation that support early learning
- * Raise awareness and cultivate strategic alliances to support local and state early learning efforts
- * Stay informed, raise awareness about, and support the Santa Clara County Early Learning Master Plan
- * Support the planning and development of an Educare site in Silicon Valley
- * Demonstrate an active public presence in the media and other public forums that address the importance of early learning for today and tomorrow's workforce
- * Explore how employers can support early learning within the culture of their organizations, such as brown bag lunch sessions on child development for parents and opportunities for employees to volunteer at preschools and elementary classrooms
- * Increase awareness, among policy makers and the broader community, of the importance and benefits of effective preschool
- * Support the increased availability of pre-school testing and needs assessment
- * Support the increased availability of data collection and usage in early learning systems to support short- and long-term decision making at the site, local and state levels

To do this, the Chamber needs to educate its members and the wider business community about what is at stake in the work for better pre-K education. This work should not be limited to the business sector. There is a need for building awareness and political will among the broader public, including elected officials. The Chamber can advocate for adequate funding to support evidence-based pre-K efforts. The Chamber's Education Committee can lead this work by making universal, high-quality pre-K a top priority in the Chamber's dialogue with elected officials. The Committee can include preschool as a topic in all visits to

Sacramento and in district offices; it can monitor legislative activity and weigh in where appropriate; it can advocate for funding pilot programs and expanding access.

There is a lot at stake in the effort to improve the region's preschool system for all children, and the Chamber and its Education Committee are making this effort a focus in 2010 and beyond.

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