

## **MEASURE 26-214 – Free Preschool for All**

**Official Title:** Establishes tuition-free preschool program, higher earners income tax funding.

**Question:** Should County establish tuition-free “Preschool for All Program” with new 1.5 to 3.8 percent tax on income above thresholds?

**Financial Impact:** A 1.5 percent tax would be imposed on taxable income over \$125,000 for single filers and \$200,000 for joint filers and could increase approximately 0.8 percent to 2.3 percent January 1, 2026. An additional 1.5 percent tax would be imposed on taxable income over \$250,000 for single filers and \$400,000 for joint filers. The estimated 0.8 percent increase in 2026 would be adjusted as needed to provide access to preschool for all three- and four-year-olds within 10 years. This is a new tax on County residents and taxable income derived within the County. It would affect roughly 8 percent of filers.

**Probable Results of “Yes” Vote:** If voters pass this measure in November, Multnomah County will begin implementation of a publicly funded universal preschool system. Income taxes for filers with incomes above \$125,000 single and \$200,000 joint will increase.

**Probable Results of “No” Vote:** Multnomah County will not start implementation of a publicly funded universal preschool system. Existing preschool systems will remain in operation. No additional tax would be imposed.

**Background:** Multnomah County has roughly 19,000 three- and four-year-olds. High-quality, culturally appropriate preschool helps all kids succeed in school, from the transition to kindergarten and beyond. In addition, studies have shown that when children from disadvantaged backgrounds attend preschool, they are more likely to become successful adults and contribute more to society. Economist James Heckman estimates that the rate of return on high-quality preschool ranges between \$7 and \$10 for every dollar invested. However, preschool is not an option for many families. According to a recent report from ECONorthwest, an estimated 4,400 of the children who qualify for state or federal public preschool programs are not currently served by these programs. Some children face barriers (such as costs, special needs, or language differences) to accessing high-quality preschool. Preschool for All supporters note that Oregon has one of the highest costs for preschool nationwide.

Preschool teachers often work year-round yet earn far less per hour than their peers teaching in grade schools; this measure hopes to address the twin goals of high standards for education and fair compensation for staff, by raising wages to levels on a par with elementary school teachers.

While few jurisdictions in the US have attempted universal or free preschool, those that have include Washington, D.C., Chicago, Boston, and New York City, where the programs are popular. Some locations have seen challenges for providers, in part due to being only school-based, instead of incorporating community-based providers as the Multnomah County measure seeks to do.

The current system is based largely on private providers, and demand far outpaces supply. This measure establishes the revenue stream for universal preschool, without dictating implementation. For this reason, its success will depend on how well the program expands the number (as well as quality) of preschool slots.

This measure has been placed on the ballot by the Multnomah County Board of Commissioners after years of development by the Preschool Taskforce. It incorporates the work of another group that collected signatures for the Universal Preschool Now proposal earlier this year; the chief petitioners of that measure have merged theirs into this ballot measure.

**Summary of Measure:** This measure aims to benefit everyone invested in preschool--children, parents, teachers, and society at large. There are several components to the broad-ranging measure:

- Tuition-free preschool for every three-year old and four-year old whose family wants it;
- Standards for participating programs using the State's Early Learning and Kindergarten Guidelines, with culturally specific options;
- Up to six hours of preschool per day for each child, with options for additional before- and after-care hours (paid by parents or the County for qualifying families) and for year-round schooling;
- Preschool providers available across the geographic range of the County;
- Involvement of existing providers and teachers, including home-based, center-based, Head Start, and public-school-based providers;
- Pay for preschool teachers on par with kindergarten teachers (Preschool Assistant wage would be at a minimum of \$19.91 per hour in 2022), while developing credentialing and continuing education incentives;
- Program administration through the Department of County Human Services;
- An advisory committee of stakeholders to review expenditures, advise on policy, and provide oversight.

While the tax would begin on January 1, 2021, free preschool access would be phased in for all by 2030; in early years, slots would be prioritized for families who have the least access to quality, affordable preschool opportunities today. Culturally specific organizations will be funded to outreach to priority populations and to guide families through the application process. Eligible children would be those who are three- or four-years old on September 1 of the enrolling year and have a parent or legal guardian residing in Multnomah County.

**Supporters Say:**

- High-quality, safe preschool education serves children during a critical stage in brain development. It is also an important asset for working parents.
- The current preschool system is inaccessible to many, and as such, exacerbates inequities across generations
- Many reliable studies have shown high-quality early childhood programs yield large economic returns to society.
- Putting preschool teachers on a more even footing with elementary school teachers will lead to improved quality in education and improved labor conditions for staff.

**Opponents Say:**

- This is not the first or only tax increase the Metro area is seeing during an already fragile economic time.
- We should find ways to enable families to take care of their own kids rather than expanding government programs and having higher taxes.
- Given economic uncertainty, the tax may not bring in the expected funding.
- Federal implementation of universal preschool might make this ballot measure unnecessary.