



## **Paying for Early Childhood Priorities** **by Adam Weinberg and Dick Clark**

Residents of the Omaha Metro area have faced a series of setbacks to their family budgets in recent weeks. First, the Omaha City Council approved a sewer fee increase to pay for a \$2.6 billion improvement project mandated by the Federal government.<sup>1</sup> Then, the Omaha Public School Board announced \$683 million in proposed new spending to be financed by what would likely be the largest bond issue in the history of Nebraska, 100 percent funded by taxpayers through property tax hikes.<sup>2</sup>

While there was little that could be done by local policymakers to avoid the cost of the federal sewer mandate, and OPS officials have now started looking into ways to mitigate the taxpayer impact of their proposal, there remains another policy subdivision in the community that affects the pocketbooks of residents in Douglas, Sarpy, and some parts of Washington County that is also represented on the local tax bill: the Learning Community of Douglas and Sarpy County. The Learning Community is a political subdivision created by the Nebraska Legislature in 2007 with the mission of addressing the substantial achievement gaps in Omaha-area schools by fostering collaboration and best-practice sharing between the various school districts in the Omaha Metro area.

On July 18, the *Omaha World-Herald* reported that area superintendents were seeking a \$2.5 million annual allocation to fund an early childhood education pilot program for the Learning Community area. The goal of the pilot would be demonstrating achievement outcomes for at-risk children that would then support the creation of a statewide early childhood education program by the Nebraska Legislature.<sup>3</sup>

---

<sup>1</sup> Golden, Erin. "Omaha City Council OKs plan to raise sewer rates by 45 percent." *Omaha World-Herald*. July 16, 2014. [URL: [http://www.omaha.com/news/metro/omaha-city-council-oks-plan-to-raise-sewer-rates-by/article\\_a8c440ca-a857-5fcc-acff-2788e96b1799.html](http://www.omaha.com/news/metro/omaha-city-council-oks-plan-to-raise-sewer-rates-by/article_a8c440ca-a857-5fcc-acff-2788e96b1799.html)]

<sup>2</sup> Duffy, Erin. "OPS plan for new schools, renovations, has \$683 million price tag." *Omaha World-Herald*. July 18, 2014. [URL: [http://www.omaha.com/news/metro/ops-plan-for-new-schools-renovations-has-million-price-tag/article\\_fb858f2e-0ddc-11e4-9950-0017a43b2370.html](http://www.omaha.com/news/metro/ops-plan-for-new-schools-renovations-has-million-price-tag/article_fb858f2e-0ddc-11e4-9950-0017a43b2370.html)]

<sup>3</sup> Dejka, Joe. "Early childhood plan unites Omaha area schools." *Omaha World-Herald*. July 18, 2014. [URL: [http://www.omaha.com/news/metro/early-childhood-plan-unites-omaha-area-schools/article\\_8c1302c5-8593-578f-8069-19f987b4cc4c.html](http://www.omaha.com/news/metro/early-childhood-plan-unites-omaha-area-schools/article_8c1302c5-8593-578f-8069-19f987b4cc4c.html)]

Dr. Samuel J. Meisels, a panelist at the 2014 Platte Institute Education Summit, has been key to the development of the plan.<sup>4</sup> A respected authority in the field, it is hard to imagine a more credible architect for this important effort. Learning Community CEO Ted Stilwill expressed the importance of the planned programming in no uncertain terms, stating that if the Learning Community had to pick only one project, “this project would be it.”<sup>5</sup> However, questions remain about how to pay for the new program in a way that will not put an additional burden on already cash-strapped taxpayers.

The Learning Community cash balance at the end of May 2014 totaled over \$7 million including administrative and operating expenses and funds designated for capital projects.<sup>6</sup> The resources exist to begin this program at no cost or at least a lower cost to taxpayers, but using those resources means seriously reconsidering other expenditures of the Learning Community, including the three-quarters of a million dollars spent on Learning Community administrative expenses.<sup>7</sup> A proposal to eliminate the Learning Community was met with a cool reception in the Unicameral’s Education Committee in 2013,<sup>8</sup> despite the overwhelming support for the idea from legislators hailing from Sarpy County. These misgivings on the part of Sarpy County legislators reveal doubts about the coherence of the Learning Community’s mission and programmatic objectives and a need for a meaningful review of its existing programs and priorities.

In searching for funding for the new early childhood plan, an alternative model that should be considered would be tax credit scholarships.<sup>9</sup> Such scholarships could be funded by private donors and targeted to reach children whose life circumstances and local schools’ performance present the greatest challenges to education achievement, and for whom early childhood programs might offer the most substantial benefits. A limited tax credit scholarship program could be authorized by state legislators to fund new early education activities without putting more pressure on property owners who are already saddled with high property taxes. Funding through voluntarily contributed scholarship dollars also means more direct accountability, since donors would be able to withdraw their support if they lose confidence in the effectiveness of the programs for which they are paying.

---

<sup>4</sup> *Ibid.*

<sup>5</sup> *Ibid.*

<sup>6</sup> “FY 2013–2014 3rd Quarter Budget to Actual - Learning Community Budget Summary.” Learning Community of Douglas and Sarpy Counties. July 17, 2014.

<sup>7</sup> *Ibid.*

<sup>8</sup> Stoddard, Martha. “Bill to abolish Learning Community considered unlikely to reach floor.” *Omaha World-Herald*. January 14, 2013. [URL: [http://www.omaha.com/news/bill-to-abolish-learning-community-considered-unlikely-to-reach-floor/article\\_97db0b22-7517-5a81-9b98-008e5516b79b.html](http://www.omaha.com/news/bill-to-abolish-learning-community-considered-unlikely-to-reach-floor/article_97db0b22-7517-5a81-9b98-008e5516b79b.html)]

<sup>9</sup> For an introduction to scholarship tax credit programs and other school choice models that might be right for Nebraska, see “School Choice 101: Educational Choice and Achievement in Nebraska.” Platte Institute for Economic Research. July 2014. [URL: <http://www.platteinstitute.org/research/detail/education-policy-brief-school-choice-101>] See also Clark, Dick. “Kansas’ New Scholarship Tax Credits Worth a Look.” Platte Institute for Economic Research. June 25, 2014. [URL: <http://www.platteinstitute.org/research/detail/kansas-new-scholarship-tax-credits-worth-a-look>]

Whether the Learning Community experiment continues or not, it is clear that policymakers face difficult decisions about how to use finite public resources to achieve the greatest gains for students. For every expenditure, there is not only the nominal cost to consider, but also the opportunity cost for other programs that may not receive requested dollars. If the conclusion of public officials is that early childhood educational support is critically important, as asserted by Stilwill and others, other programs must be reconsidered. These considerations present difficult choices for elected officials and other public servants, but that is the task that members of the public expect them to tackle. All local taxing authorities in Nebraska seeking a growth in their budgets should first look inward for needed restraint and reform, just as taxpayers themselves must search when family expenses rise. With its roughly \$7 million cash balance, the Learning Community is in no position to impose an additional, permanent burden on the area's taxpayers.