

SAN ANTONIO TEXAS

PROGRAM

Pre-K 4 San Antonio (Pre-K 4 SA)

FUNDING MECHANISM

Renewed Sales Tax Referendum

OPPORTUNITY

Long recognized as one of the most income-segregated cities in the country, San Antonio has been marred for years by low high school graduation rates and below average upward economic mobility, undermining the city's economic potential. In 2012, 75 percent of San Antonio's 20,000 four-year-old children qualified for half-day pre-kindergarten under state and federal guidelines, but 5,700 of those children did not attend pre-k or received just a half-day of education. Additionally, few affordable full-day options existed to serve low and middle-income families.

In 2020, voters renewed the sales tax referendum. After successfully passing the original sales tax referendum in 2012, San Antonio created and launched Pre-K 4 SA, which serves 2,000 children annually.

SUMMARY

In November 2020, 73 percent of San Antonio voters approved an eight-year renewal of a 2012 referendum to increase the local sales tax by one-eighth of a cent to fund Pre-K 4 SA, a voluntary, full-day pre-k program for four-year-old children from low and middle-income families.

Originally passed in November 2012, the sales tax increase was estimated to generate \$29 million annually but has actually generated upwards of \$37 million due in part to tourism and oil and gas sales. Pre-K 4 SA receives additional revenue estimated between \$10 and \$12 million from state and federal funding. The sales tax funds approximately 80 percent of the program, while state and federal resources fund the remaining 20 percent.

Pre-K 4 SA contains four core components: educational centers, professional development, competitive grants, and family engagement. Four education centers across the city provide full-day pre-k to 2,000 children each year at an average annual cost of \$11,470 per student. The program emphasizes play-based and social-emotional learning. The first iteration of the program served families earning up to \$45,000 for a family of four. The 2020 renewal expands access to middle class families earning up to \$65,000 per year. The San Antonio Early Childhood Education Municipal Development Corporation implements the program, and the Corporation's Board of Directors are appointed by the mayor and city council.

CHALLENGES

Anti-Tax Sentiment // Some critics argued the city government has no role in providing Pre-K education. Others viewed the initiative as “double taxation,” because existing revenue streams already funded the public half-day program at local school districts.

Reallocation of Funds // Transit advocates argued the Pre-K 4 SA sales tax should be reallocated to fund transportation expansion. San Antonio invests a half-cent sales tax toward mass transit, compared to a dedicated full cent in Dallas, Houston, and Austin.

Cost // Opponents and supporters alike questioned the \$11,470 per student cost, which is higher than the average local school district but lower than the national average.

Participation // More than half of the city's school districts chose not to participate in Pre-K 4 SA. School administrators saw Pre-K 4 SA as a potential competitor.



HOW DOES SALES TAX WORK IN NORTH CAROLINA?

Local governments in North Carolina are not allowed to dedicate revenue to specific initiatives from increasing the local sales tax rate. Local governments can adopt a resolution defining the intent of the sales tax increase.

The state could provide greater authority for local governments to raise sales tax rates and dedicate a portion of sales tax that is distributed through the state to certain purposes, or it could pilot a local effort.

GETTING TO ACTION

- May 2011** Mayor Julian Castro announces a task force led by business leaders and education experts to determine the most effective way to improve San Antonio's educational trajectory. The task force reviews early childhood education, high school dropout prevention, and college attainment.
- Jun 2012** The *Brainpower Task Force Report* is released. The task force recommends Pre-K 4 SA as the most effective way to change the educational trajectory for children in San Antonio.
- Aug 2012** City Council approves the referendum for Pre-K 4 SA for the November 2012 ballot.
- Oct 2012** The Pre-K 4 SA campaign raises nearly \$400,000 from private individuals and corporations to elevate visibility and support for the initiative through television, radio, and other media. The campaign encourages and receives small individual donations of \$7.81—the same amount that the sales tax increase is estimated to cost the average household.
- Nov 2012** Voter referendum wins with 53.5 percent of the vote.
- Aug 2013** The program begins with the operation of two centers, welcoming the first 700 students.
- Aug 2014** Pre-K 4 SA opens its third and fourth education centers, serving a total 1,500 students in its second year.
- Nov 2015** Pre-K 4 SA begins a competitive grants program, providing more than \$4.2 million per year to public, private, and parochial schools as well as licensed childcare facilities to expand access to or enhance quality of child education programs.
- Aug 2016** Sixteen providers receive competitive grants. Four education centers reach maximum capacity, serving a total of 2,000 students.
- Jan 2019** The University of Texas at San Antonio completes the first longitudinal impact study of students enrolled in Pre-K 4 SA during the 2013-2014 academic year. The study finds the program produced positive results on third grade reading and math scores, special education placement, and elementary school attendance.
- Feb 2020** City Council approves Pre-K 4 SA funding reauthorization for the May 2020 ballot. [Poll results](#) conducted by the political action committee—Keep PreK 4 SA—shows PreK 4 SA ranks second in priority for voters in Bexar County.
- Mar 2020** Westat completes a [Benefit-Cost Analysis of Pre-K 4 SA](#) report, which finds that for every \$1 spent on Pre-K 4 SA, the return on investment is \$1.56, or \$3,790 per child.
- Nov 2020** Bexar County postpones its May 2020 municipal election due to COVID-19 and moves Pre-K 4 SA's funding reauthorization to November. In November, reauthorization wins 73.3 percent of the vote.

RESULT

- Directly serves 2,000 four-year-old children each year
- Indirectly serves 13,000 children by awarding \$21 million in competitive grants to early learning programs in public schools, parochial programs, and childcare centers across San Antonio
- Has improved in third grade reading and math scores.
- Hosts annual professional development training for approximately 3,000 San Antonio teachers.
- Provides family education and employment workshops, parenting classes, adult education, family events, and kindergarten transition support services to parents/guardians.
- Has increased program attendance by about nine percent over time, triggering an increase of \$23.2 million in school funding. (In Texas, school attendance is directly tied to funding.)
- Recently ranked as one of only five “gold medal” early childhood education providers by City Health and the National Institute for Early Education Research (NIEER).

KEYS TO SUCCESS

▶ **Commit to High Quality Standards**

Pre-K 4 SA invested in high quality teachers by paying above market wage, requiring lead teachers to hold a formal degree in early childhood education, and providing three weeks of professional learning annually.

▶ **Incorporate Program Impact Evaluations from the Start**

Pre-K 4 SA was designed to incorporate yearly, independent program assessments as well as longitudinal impact evaluations to track student success, as measured by third-grade test scores.

▶ **Create Strong Marketing and Branding**

Focus groups conducted by a political action committee leading the reauthorization efforts showed that personal stories from Pre-K 4 SA participants transformed opposers into supporters regardless of political affiliation.

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▶ **Tackle the Opposition Face-to-Face**

Dr. Sarah Baray, CEO of Pre-K 4 SA, was essential in gaining the support of influential challengers and minimizing vocal opposition by deftly communicating how Pre-K 4 SA supports children’s education and parents’ ability to work. Additionally, local chambers, including the San Antonio Hispanic Chamber of Commerce, publicly endorsed the referendum.

LEARN MORE

[Read more about PRE-K 4 SA.](#)