

A fiscal smoke screen

Prop. 203's tobacco tax is unrealistic, unreliable and bad policy - but golly gee, it's for the KIDS!

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Regardless of your position on government early-childhood development programs, Proposition 203 is bad fiscal policy.

Proposition 203 would increase the tobacco tax by 80 cents a pack. It would also establish a new state board, which would in turn establish an unspecified number of regional councils. The regional councils would recommend early-childhood development projects to be funded from the tobacco tax, with the state board making the final decision.

The reliance on the tobacco tax is a plainly cynical fiscal ploy. Tobacco sales and use are steadily declining. The proponents of Proposition 203 presumably aren't hoping for an abatement of that trend.

Instead, they want to use tobacco taxes to launch their program and count on forcing General Fund support as tobacco-tax revenue wanes.

There is no obvious reason why the financial burden of early-childhood development programs should fall primarily on smokers, who tend to be poorer than the general adult population.

However, the burden does not fall exclusively on smokers. The staff of the Joint Legislative Budget Committee estimates that the huge 68 percent increase in the tobacco tax will cause a reduction in tobacco revenues to support other state programs.

If Proposition 203 is passed, low-income health care and tobacco education programs, as well as the state's General Fund, are expected to take a \$23 million hit.

JLBC estimates that Proposition 203's tobacco tax will raise, initially, \$188 million a year. Yet the proposition doesn't specify how a single dime of the money is to be spent. That's entirely up to the appointed boards. The Legislature doesn't get a say.

Proposition 203 is supposedly patterned after North Carolina's Smart Start program. But with respect to its fiscal structure, that's just not true.

There is no dedicated funding source for the Smart Start program. It depends on annual appropriations from the North Carolina Legislature. And 70 percent of the money has to go to financing or improving child care.

Some believe that low-income children in Arizona suffer from a lack of quality child

care. If the money raised by Proposition 203 were plowed into increased child care subsidies, it would generate more than \$4,000 a year for each child currently enrolled in the program, without creating a new state and regional bureaucratic apparatus.

The lack of specificity about programs to be funded by Proposition 203 means that voters really have no idea what they are being asked to approve. And it may lead to inefficiencies and duplication.

Proponents, for example, talk a lot about health screenings as part of getting kids ready for school. But Arizona's low-income health care program already covers screenings and treatment for health, dental, vision, hearing and speech problems for children. And children are eligible to be covered up to 200 percent of the federal poverty level.

Early-childhood development is, of course, very important. Advocates, however, tend to leap too quickly from its importance to policy implications.

For example, the point is often made in these discussions that 90 percent of the brain's development occurs in the first three years of life. However, kids clearly aren't learning calculus at that age. Instead, the architecture of the brain is being built.

Helping that along requires constructive interaction of the sort that comes naturally to loving parents - if they are around, and if they are loving.

To the extent parents can't be around, perhaps quality child care can help compensate. And perhaps parent education can help as well.

However, circumspection is in order about the extent to which government can substitute for good parenting or compensate for bad parenting.

The extravagant claims made about the return on public investment for early-education programs, in fewer adverse outcomes for children and adults that impose societal costs, are based primarily on two small, hardly representative programs.

The Perry School project involved 58 intellectually slow children who received preschool instruction and home visitations back in the 1960s. Over their lifetimes, they did better than a control group that did not receive the intervention.

The Abecedarian Project in North Carolina in the 1970s involved 111 low-income children who received, from the time they were infants, high-quality day care, eight hours a day, five days a week. In essence, they were given a surrogate home and parents by the state.

The experience with broader, more realistically scaled programs lends itself to more modest conclusions and claims.

Regardless, the fiscal structure of Proposition 203 - with its needless new bureaucratic

apparatus, its avoidance of the scrutiny of the legislative appropriations process, and its cynical use of tobacco taxes - is indefensible.