

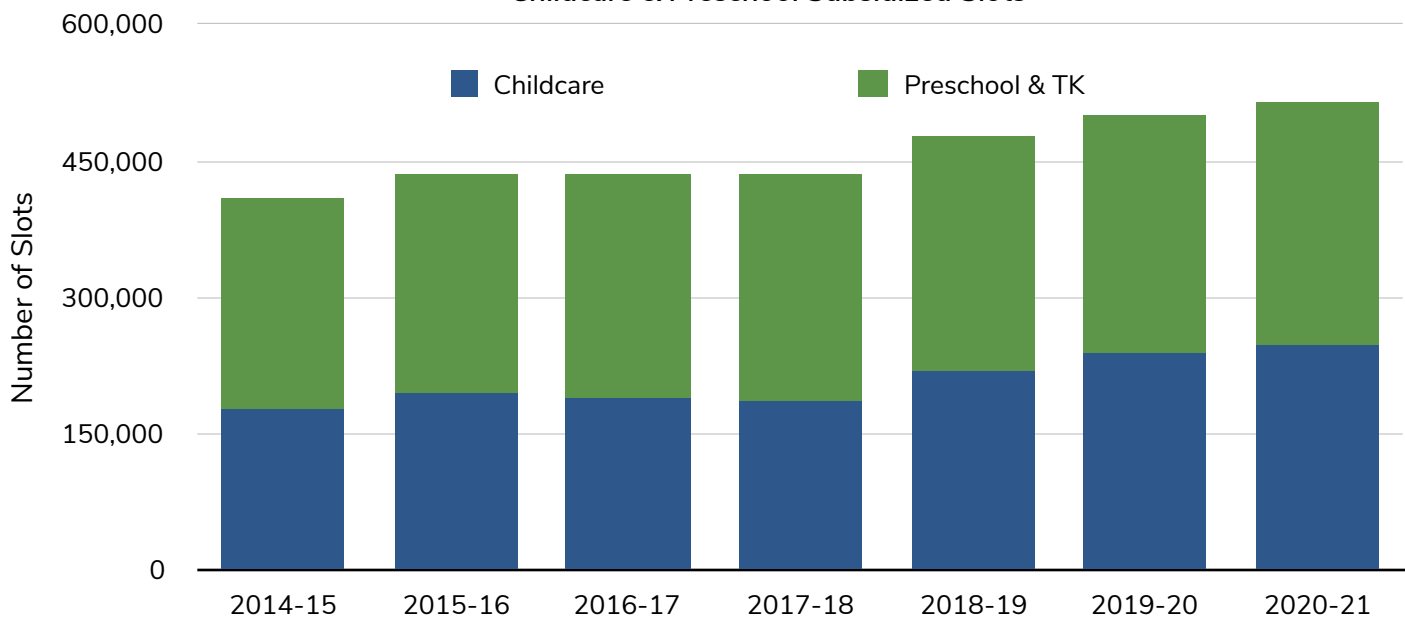


California in Context

EARLY CHILDHOOD EDUCATION

Early childhood education programs (ECE) in California include subsidized childcare (ages 0-3) and state preschool (ages 3-4) for families with qualifying low-incomes, as well as transitional kindergarten (ages 4-5)—admittance to which is based on the child's age and birthday. The California State Preschool System is the largest state-funded preschool program in the nation, and is administered through local educational agencies, colleges, community-action agencies, and private nonprofit agencies. State preschool includes both part-day and full-day programs, and there are more slots for part-day than full—there were about 110,100 half-day slots and 71,000 full-day slots in 2019-20.

Childcare & Preschool Subsidized Slots



Data from the California Department of Finance

Transitional kindergarten (TK), which began in 2014-15, is a free public school program for 4-year-olds who turn five between Sept. 2nd and Dec. 2nd. It is designed to be a bridge between preschool and kindergarten, and children enrolled in transitional kindergarten enroll in regular kindergarten the following year. TK is part of California's K-12 public school system, is free for students to attend, and districts receive funding for TK based on average daily attendance (ADA). Some school districts allow children who turn five after Dec. 2nd to enroll (called expanded transitional kindergarten), but it is left up to the individual school districts to decide. A 2017 survey found that of the 25 largest school districts in the state, only six offered expanded TK.

The **2020-21 proposed budget** for subsidized childcare is approximately \$3.3 billion (+3% increase from 2019-20) and \$2.5 billion (+6.4%) for preschool and TK across the state. The Governor also proposes establishing the Department of Early Childhood Development to consolidate the existing early childhood programs to streamline their administration and make them more efficient. State preschool and subsidized childcare are not included as part of the minimum funding guarantee of Prop 98, but transitional kindergarten is. A [recent study](#) found that high-quality early childhood programs can yield a **\$4 to \$9 dollar return per \$1 invested**.

ECE KEY FACTS

- ✓ **Post-Recession Funding:** Funding for both childcare and preschool was cut dramatically during the Great Recession, but has been increasing every year since 2014-15 and reached pre-recession levels (inflation-adjusted) in 2018-19
- ✓ **Expanding Access:** In 2019, the state raised the income eligibility limit from 70% of the State Median Income (SMI) to 85% of SMI, adjusted for family size
 - ▶ In 2019-20, 85% of SMI for a family of four was \$80,623 per year (\$6,710 monthly income)
- ✓ **High Cost of Childcare:** The cost of childcare is high in California (11th-highest-cost state in the US)—from a median annual cost of \$15,300 for infants under age 2 to \$10,200 for children ages 2-5 at a licensed childcare center
 - ▶ A single mother with an annual income of \$52,076 would pay nearly half her income on the cost of care for an infant and preschool-age child without access to subsidized care
 - ▶ In a family with two working parents earning low wages, each parent would have to work 147 hours *per week* to avoid paying more than the federally-recommended 7% of income on the cost of childcare for their infant

516,300
proposed 2020-21 slots

NEW IN 2020-21

The 2019-20 budget added 10,000 new preschool slots beginning April 1, 2020, and 12,400 new childcare slots. The 2020-21 budget proposes building on this with another 10,000 preschool slots beginning April 1, 2021 at a cost of **\$32 million** from the General Fund this fiscal year. The Governor's intent is to add another 10,000 slots next year, which would enable all low-income 4-year-olds to access to a preschool program by 2021-22. Overall, early childhood education has been a greater priority in this administration than in the previous one.

It also proposes shifting \$50 million from the Cannabis Fund (tax revenue raised following the legalization of cannabis in 2016) to support over 3,000 childcare slots previously funded with the General Fund, and an additional **\$10.3 million** from the Cannabis Fund for 621 more slots beginning July 1, 2020.

The Governor also proposes an additional **\$75 million** for the Inclusive Early Education Expansion Program (on top of \$177 million already dedicated to the program for a total of \$252 million in 2020-21) to increase access to early care and education programs for children with special needs.

3 million
children under 5 in CA



*Data from the Governor's proposed budget, LAO, [California Budget & Policy Center](#), [Top Day Care Centers](#), and [EdSource](#) unless specified otherwise.