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Preschool and Transitional Kindergarten

LEGISLATIVE ANALYST'S OFFICE

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On Education
Hon. Carol Liu, Chair

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State Preschool Proposals

☑ ***California State Preschool Program (CSPP) Currently Funded Through Two Separate Budget Items.*** In 2011-12, CSPP funded with $368 million (Proposition 98) from part-day preschool budget item and about $400 million (non-Proposition 98) from General Child Care (GCC) budget item.

☑ ***Governor Proposes Three Major Reductions to CSPP Funding in 2012-13:***

- ***Reduces Provider Rates by 10 Percent.*** Would drop daily per-child Standard Reimbursement Rate from $21.22 to $19.10 for part-day preschool and $34.38 to $30.94 for full-day preschool. Would save $34 million Proposition 98 and roughly $40 million non-Proposition 98.
- ***Reduces Income Eligibility Criteria.*** Would drop maximum allowable family income from 70 percent of state median income (SMI) to 200 percent of federal poverty level (roughly 62 percent of SMI). Would eliminate about 9,500 slots and save $24 million Proposition 98 and roughly $15 million non-Proposition 98.
- ***Increases Parent Work Requirements for Full-Day Eligibility.*** Would preserve full-day services for working families but eliminate eligibility for parents attending educational or training activities. Would eliminate roughly 9,200 slots and save roughly $70 million non-Proposition 98.

☑ ***In 2013-14, Would Eliminate Funding for Full-Day Preschool Programs.*** Beginning in 2013-14, would eliminate GCC program (including CSPP component) and merge funding into voucher-based child care program to be administered by county welfare departments. Would maintain Proposition 98-funded part-day/part-year preschool program.

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Concerns With Governor's Preschool Proposals

- ***Proposed Preschool Rate Reduction Is Problematic.*** State rate for these centers already is low. State requirements limit CSPP providers' ability to accommodate such a reduction. Proposal could lead many centers to close.

- ***State Could Reduce Preschool Slots and Achieve Savings Without Lowering Income Eligibility Criteria.*** Priority for preschool slots already reserved for lowest income applicants.

- ***New Work Eligibility Criteria Would Be Major Policy Change.*** Part of larger California Work Opportunity and Responsibility to Kids and child care proposal. Alternative approach would be to allow time-limited eligibility based on education/training activities.

- ***Proposal for 2013-14 Ignores Reality of Current Preschool Program.*** Proposition 98 preschool budget item and a portion of the GCC item have been supporting one preschool program. Proposal would notably limit local providers' ability to offer a full-day/full-year preschool program.

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Transitional Kindergarten (TK)

- ***Changes to Kindergarten Cutoff Date and Creation of New Program Scheduled to Take Effect in 2012-13.*** Birthday cutoff would shift from December 2 to November 1 in 2012-13, to October 1 in 2013-14, then to September 1 beginning in 2014-15. Children turning five years of age between cutoff and December 2 could attend new TK program. Full implementation of program estimated to cost roughly $675 million annually.

- ***Governor Would Not Initiate New TK Program, Saving Between $100 Million and $224 Million in 2012-13.*** Savings estimates affected by declining enrollment revenue limit adjustment.

- ***Proposed Modification to Existing Waiver Process Would Expand Access for Underage Kindergartners.*** Under Governor's proposed language, districts could allow any four-year old to attend kindergarten on a case-by-case basis.

- ***Governor's Proposal to Cancel Initiation of TK Is Reasonable for Budgetary Reasons . . .*** Does not make sense to offer additional year of public education to select group of children at the expense of funding existing K-12 services.

- ***. . . And Policy Reasons.*** Does not make sense to fund special services for some four-year olds based on their birth month rather than their academic or financial needs.

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LAO Recommendations for Targeting Preschool Services

☑ ***Focus Limited Resources on Serving Four-Year Olds Who Could Most Benefit From State-Subsidized Education Program.***

- Immediately adopt Governor's proposal to cancel initiation of TK program.

☑ ***Help Smooth Transition to New Kindergarten Cutoff Date.***

- Modify Governor's waiver proposal to focus on students born close to cutoff date.
- Adopt Governor's proposal to prioritize preschool access for low-income children affected by date change, but only for the transition years.

☑ ***Take a Different Approach to Making Reductions to State Preschool.***

- Fund entire CSPP within Proposition 98.
- Reject proposal to reduce preschool provider rates by 10 percent.
- Eliminate preschool slots without lowering income eligibility threshold.