



Getting Down to **FACTS**



EARLY CHILDHOOD EDUCATION **Section 1: The Changing Landscape of** **ECE in California**

Beth Meloy
Child and Family Advisory
Collaborative

Deborah Stipek
Stanford University

May 2026



Stanford | SCALE Initiative
Accelerator for Learning

EARLY CHILDHOOD EDUCATION

Section 1: The Changing Landscape of ECE in California

Beth Meloy, *Child and Family Advisory Collaborative*

Deborah Stipek, *Stanford University*

Since the publication of *Getting Down to Facts II* in 2019, there have been significant changes to the early care and education (ECE) landscape in California. California continues to offer the same array of ECE programs and services to young children from birth to kindergarten entry, but access to these programs has substantially increased for preschool-age children. In 2019 federal- and state-funded ECE programs in California focused primarily on providing free or subsidized care and education programs to low-income children and their families. Parents of children who did not meet eligibility requirements, or who were unable to access subsidized programs, even when eligible, paid for ECE services out of pocket.

When Governor Gavin Newsom took office in 2019, he committed to a “California for All”—a California that provides all children with a great start. The Newsom Administration, led by the Health and Human Services Agency, in collaboration with the State Board of Education (SBE) and the State Superintendent of Public Instruction developed a Master Plan for Early Learning and Care, with a core objective to promote school readiness by making preschool available to every four-year-old child and all low-income three-year-old children across the state.

During his administration, Governor Newsom and the state legislature took many steps to achieve this goal. Most notably, California implemented a major expansion of early care and education for four-year-old children by expanding Transitional Kindergarten to create Universal Pre-Kindergarten (UPK) across the state. As a result, this paper, and this section focus primarily on programs that serve preschool age children (3-6 years). However, we briefly explore how progress towards serving preschool age children has created opportunities for additional investments in infants and toddlers. In this section we explore a few key questions that are central to understanding how recent investments in preschool have altered the landscape of ECE in California. Specifically, we discuss:

1. What is Universal Pre-Kindergarten (UPK) and why is it important?
2. How has UPK implementation changed California’s ECE landscape?
3. Is UPK meeting the needs of California’s children and families?
4. How can California build upon its UPK investment to improve the ECE system as a whole?

We utilize the most up-to-date information, data, and research available to answer each of these questions below. Data quality and availability, however, create challenges for the ECE field (see Section 6), which limits our analysis.

California’s Investment in Universal Pre-Kindergarten (UPK)

Early childhood is a critical period that sets the stage for children's developmental and life trajectories.¹ Children's brains develop rapidly during the earliest years of life. In particular, during the preschool years there is significant development in the prefrontal cortex, which plays a pivotal role in cognitive functions, including decision-making, emotion regulation, impulse control, and motivation.² The nature and extent of that development depends substantially on young children’s experiences. Indeed, children’s experiences during their first five years can affect the architecture of their brains in ways that have long-lasting impact.³

When children experience high-quality learning opportunities and nurturing relationships prior to kindergarten, they start school ready to thrive. In 2018, the large gap in California children’s academic skills, associated with socio-economic status and race, was found to exist prior to

¹ National Research Council. (2000). From neurons to neighborhoods: The science of early childhood development. Retrieved from <https://pubmed.ncbi.nlm.nih.gov/25077268/>

² Diamond, A. (2013). Executive functions. *Annual Review of Psychology*, 64, 135–168. <https://doi.org/10.1146/annurev-psych-113011-143750>.

³ National Scientific Council on the Developing Child (2007). The Timing and Quality of Early Experiences Combine to Shape Brain Architecture: Working Paper No. 5. Retrieved from www.developingchild.harvard.edu https://developingchild.harvard.edu/wp-content/uploads/2007/05/Timing_Quality_Early_Experiences-1.pdf

Kindergarten entry.⁴ These findings supported increasing California’s investments in high-quality learning experiences for all children before they enter school.

Investing in ECE, specifically preschool programs for 3- and 4-year-old children, has been adopted as an approach to reduce achievement gaps and support children’s preparation for and successful transition to elementary school in many states across the country. Some states have continued to invest in means-tested programs (programs that children and their families must qualify for based on eligibility factors such as income), while other states have invested in Universal Pre-Kindergarten programs. Universal programs are available for free to all children who meet basic age requirements, similar to K-12 grades. Typically, states invest in programs for 4-year-olds first, because they are the least expensive early childhood age group to serve. In 2024, 11 states and the District of Columbia enrolled more than 50% of their 4-year-olds in state-funded preschool. DC, Vermont, and Colorado all served 70% or more of their 4-year-old populations. Only DC (82%) and Vermont (58%) served more than one-quarter of their 3-year-olds. Four other states (Illinois, New Jersey, Kansas, and New Mexico) enrolled more than 20% of their 3-year-olds. California’s recent investments are helping the state make strides towards joining the list of states nationwide that are providing access to preschool for all young children.

California’s Approach to Universal Pre-Kindergarten

The Master Plan for Early Learning and Care called for implementation of Universal Pre-Kindergarten (UPK) to ensure that all 4-year-old children in California had access to a high-quality early learning experience the year prior to entering Kindergarten. To achieve this goal, Newsom’s administration proposed, and the state legislature enacted [California Assembly Bill \(AB\) 130](#), to expand access to UPK by phasing-in universal access to the state’s existing Transitional Kindergarten (TK) program, essentially creating an additional grade in the state’s K-12 system. At the same time, California increased its investment in the California State Preschool Program (CSPP/state preschool) and general childcare subsidies, to support access to preschool for more 3-year-olds from low-income families. Central to these actions was the belief, founded in research, that expanding access to a high-quality

⁴ Reardon, S., Doss, C., Gagné, J., Gleit, R., Johnson, A., Sosina, V. (2018) A Portrait of Educational Outcomes in California. Getting Down to Facts II. https://gettingdowntofacts.com/sites/default/files/2018-09/GDTFII_Report_Reardon-Doss.pdf

early learning experience in the year (or two) prior to Kindergarten entry would narrow achievement gaps and support more children to thrive in school and in life.⁵

TK is the only program that has been expanded to provide universal access free of cost for all 4-year-old children as part of California’s public education system. However, other early learning programs serve preschool age (3- and 4-year-old) children, including the federal Head Start Program, the California State Preschool Program, subsidized preschool programs operated by community-based organizations (including family childcare), private preschool programs, and before- and after-school programs, such as the new Expanded Learning Opportunities Program (ELOP). This array of programs reflects a stated policy goal of the Newsom administration to ensure that the needs of children and families are met by giving families equitable access to meaningful choices when selecting a program.⁶ These programs are described in further detail below.

Transitional Kindergarten

Transitional Kindergarten (TK) was originally authorized by California’s Kindergarten Readiness Program Act of 2010. In its original form TK served children who reached the age of five years between September 2nd and December 2nd. In 2021 the state budget committed to a 5-year phase-in plan for California’s Universal Pre-Kindergarten (UPK) by expanding the age eligibility parameters for its existing Transitional Kindergarten (TK) program over time, until all children who turn four by the K-12 eligibility cut-off date of Sept 2nd are eligible to attend TK. The phase in of Universal TK included one year of funded planning, followed by four years during which the age-eligibility window steadily widened by 2 months for the first 3 years of expansion, and by 3 months the final year. The first year of full implementation for Universal TK was 2025-2026.

TK is legally considered the first year of a two-year kindergarten program, and as such, falls under the same administration and rules as other K-12 grades, except where explicitly stipulated that different rules apply. TK can only be offered by Local Education Agencies (LEAs), because of the way it is funded. Different rules have been instituted for TK in several key areas, including adult-to-student

⁵ Phillips, D, Lipsey, M., Dodge, K., Haskins, R., Bassok, D., Burchinal, M. Duncan, G., Dynarski, M., Magnuson, K., & Weiland, C. (2017). The Current State of Scientific Knowledge on Pre-Kindergarten Effects.

⁶ California Department of Education. (2024, December 30). *Universal PreKindergarten*. <https://www.cde.ca.gov/eo/in/ts-universalprek.asp>

ratios, maximum class size, and teacher qualifications. These and other quality standards are discussed in greater detail in Section 4.

California State Preschool Program

The California State Preschool Program (CSPP) was established long before TK or UPK. Founded in 1969 as the state’s sister program to Head Start, CSPP is a state-funded preschool program available for free or at low-cost to eligible families of 3- and 4-year-old children. Eligible children include children from low-income families, children with disabilities, and children who meet other criteria of family or individual child need. CSPP is designed to serve preschool-age children and programs are required to meet quality requirements delineated by Title 5 (see Sections 2 and 4 for more details about these requirements). The CDE and the legislature have emphasized the role of CSPP as part of UPK by ensuring families of children who are eligible for TK may still choose CSPP instead of or in addition to TK.

Head Start⁷

Founded in 1969, the federally funded Head Start program has been providing early educational opportunities to low-income preschool-age children in California for more than 50 years. Head Start has been at the forefront of efforts to require elements of preschool learning experiences that support the strongest child outcomes. Although not a state-funded program, Head Start programs are generally considered part of California’s UPK system because they serve some of California’s most vulnerable 3- and 4-year-old children and are required to meet rigorous quality standards.

Other Preschool Options

Beyond Transitional Kindergarten, State Preschool (CSPP), and Head Start, there are numerous other publicly subsidized and privately available preschool programs in California. The California Department of Social Services (CDSS) has sought to expand its General Child Care program, which has traditionally focused on providing care to infants and toddlers, to serve more preschool-age children. General Child Care and State Preschool follow similar regulatory standards (Title 5 – see Sections 2 and

⁷ There is significant potential that federal funding and oversight of early care and education, in California and nationwide, will be fundamentally reshaped under the current federal administration. For example, the administration has enacted reductions in federal oversight for these programs through the removal of federal regulations, elimination of federal staff and the dismantling of federal oversight and support offices; and has proposed to fully eliminate the Department of Education and de-fund Head Start.

4 for additional details). Since the shift of program administration for General Child Care from the Department of Education to the Department of Social Services, however, differences have started to emerge, including new provisions related to the use of CLASS in CSPPs.

Other programs, including the Alternative Payment Program, which issues vouchers for families to purchase childcare from eligible providers, must meet Title 22 standards, which outline basic health and safety requirements for licensed providers and set parameters for which providers are license-exempt. (See Sections 2 and 4 for additional details about program quality standards.) These programs emphasize providing care to support parental work. While preschool-age children may participate in voucher subsidized child-care programs, they typically do not have the same emphasis on an educational program or curriculum as Title 5 programs. Thus, children the same age and with similar needs are in programs with very different regulatory standards.

Expanded Learning Opportunities Program

Before- and after-school opportunities are supported by a variety of programs, administered at both the state and federal level. Alongside California's investment in Universal TK, Governor Newsom enacted a significant expansion in before-, after-school-, and intersession care available to California's children by investing in the Expanded Learning Opportunities Program (ELOP). ELOP requires school districts to provide a free expanded learning option to all eligible students (mostly low-income) students enrolled in TK through 6th grade in their school district. For many children enrolled in TK, before- and after-school programs play a critical role in their daily early learning experiences. The law does not require schools to offer expanded learning to parents who are able to pay. An incentive to expand after-school offerings could help reduce the number of families who seek alternatives to public schools to make work possible and reduce stress for parents who patch together inconvenient options to remain in public schools.

Funding for UPK

At the state level, funding for ECE programs has long been complex. (See the Appendix for a summary.) Furthermore, structural constraints of one of the two key funding mechanisms within the state budget, Proposition 98, has important implications for how ECE programs are supported and administered across the state.

Proposition 98 establishes the minimum annual funding level the state must invest in TK-12 education and community colleges, called the minimum guarantee. Although the state can provide more funding than required by Proposition 98, it usually funds at or near the guarantee. Funds that are set aside for the Proposition 98 minimum funding guarantee must go to public schools (including charter schools) and community colleges. Non-Proposition 98 or the General Fund, on the other hand, makes up more than half of the state budget and can be spent on a range of public services and activities. There are no limitations on the entities that may receive funding supported by the General Fund.

Most of California’s state-supported ECE programs are funded through a combination of Non-Proposition 98 General Fund and federal funds, including the Alternative Payment Program (CAPP), CalWORKs Child Care, Emergency Foster Care Bridge (Bridge Program), Family Child Care Education Home Networks (CFCC), General Child Care and Development (CCTR), Migrant Alternative Payment Program (CMAP), Migrant Child Care and Development Program (CMIG), and California State Preschool Programs (CSPP) administered by non-LEA community-based organizations.

UPK in California has drawn heavily on Proposition 98 funds to expand access to preschool across the state. California State Preschool Programs that are administered by local educational agencies (LEAs)⁸ and After School Education and Safety (ASES) programs, have long been funded at the state level through Proposition 98. The expansion of UPK, however, added substantial new demands on Proposition 98 funding to support the Expanded Learning Opportunities Program (ELOP) and Transitional Kindergarten (TK). In order to support these programs the state is “rebenching” (adjusting) the Proposition 98 guarantee upward to cover the costs for students who are newly eligible for TK in each year of the expansion. For 2024-25, the calculation of the guarantee includes a \$1.5 billion adjustment for three years of TK expansion. The state implements this adjustment by increasing the minimum share of General Fund revenue set aside for schools and community colleges under Proposition 98. In 2024-2025, that share increased to 39.2%, up from 38.6 percent the year before.⁹

⁸ Proposition 98 funds do not fund CSPPs run by other entities such as local non-profit organizations. Those programs are funded with Non-Proposition 98 General Fund resources discussed below.

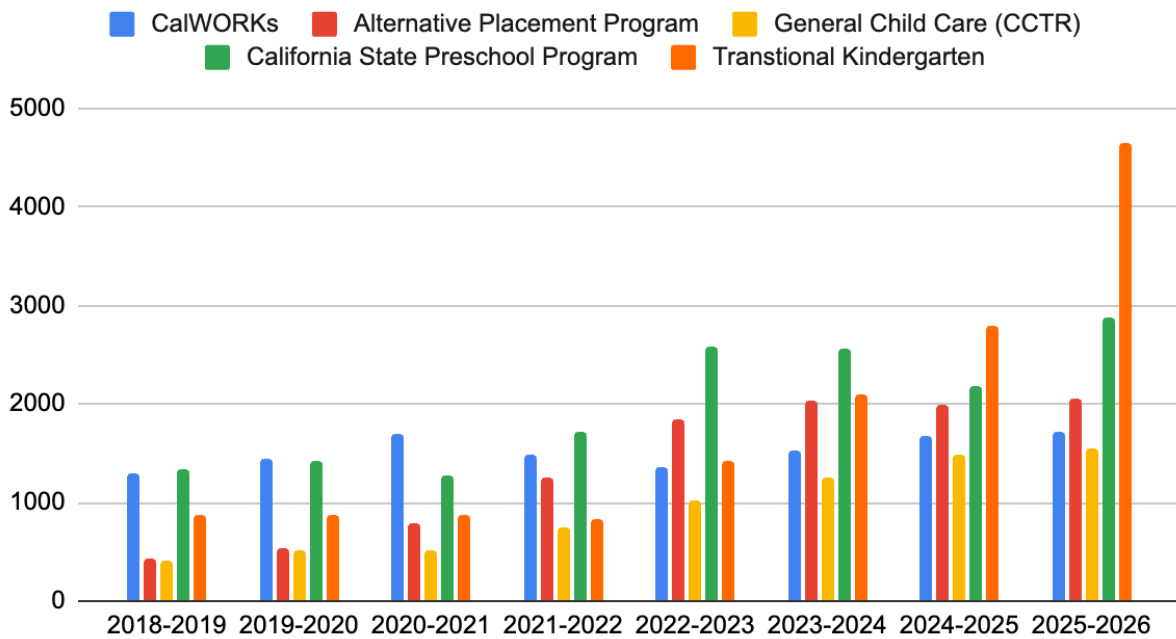
⁹ Legislative Analyst’s Office (2024). The 2024-25 California Spending Plan: Proposition 98 and K-12 Education. Sacramento, CA: Author.

Over the last 10 years, funding for ECE programs has increased dramatically across Proposition 98 and Non-Proposition 98 General Fund programs. Although funding for TK has increased most dramatically, funding for CSPP has nearly tripled and all other programs, though smaller in overall funding, have seen significant growth. (See Figure 1)

Given the various adjustment factors and children served, the estimated per child funding level varies by program. For example, California spent an average of \$17,593 per child for the California State Preschool Program in 2024-2025, a range of \$14,145 (\$11,068 ADA base rate with grade span adjustment plus Staffing Ratio supplement) to \$21,339 per child in districts receiving concentration grants (e.g. for districts serving a large number of high-need children).¹⁰

Figure 1: Funding for California’s ECE Programs 2018 - Present*

Funding for Early Childhood Programs 2018 - Present (Millions)



Funding Mechanisms

Funding for programs flows from the federal and state level to the local level and individual program providers through four different allocation methods: vouchers, contracts, grants, and school

¹⁰ CDE provided data; Legislative Analyst's Office. (2025, February 18). *The 2025–26 budget: Transitional kindergarten*. <https://lao.ca.gov/Publications/Report/4968>

finance. Vouchers are provided to families based on eligibility requirements and distributed based on available state and federal funds. They allow families to choose childcare in a variety of settings that are usually required to be licensed (and meet Title 22 regulations), including licensed family childcare homes and licensed childcare centers. Vouchers can also be used for license-exempt care.¹¹

The state also contracts directly with entities for a fixed number of childcare and preschool slots. Contracts are legally binding agreements that are specific in topic, scope of work, budget and outcomes. Contracts are provided to agencies that provide preschool in center-based programs and in licensed family childcare homes, either as individual entities or as part of a family childcare home education network. All programs funded through contracts with the state are required to meet Title 5 regulations. Some programs receive state or federal government grants (e.g. Head Start). Grants tend to be more flexible than contracts in program goals, scope of work, attendance and outcomes. Finally, district-run programs, including TK and ELOP, obtain direct state or federal funding allocations based on student characteristics within the school and/or school district, via school finance funding formulas.

In California, most ECE programs are funded either through vouchers (California Alternative Payment Program, Migrant Alternative Payment Program, CalWorks, & Emergency Child Care Bridge Program for Foster Children) or contracts with the California Department of Education (California State Preschool Program) and the California Department of Social Services (General Child Care Program, Migrant Child Care and Development Program, & the Severely Handicapped Program). Other funding mechanisms are also common, however, including grants from the federal Department of Education (21st Century Learning Centers), federal Administration for Children and Families (Early Head Start and Head Start), and the California Department of Education (After School Education and Safety program). Finally, a few ECE programs in California are funded through school finance formulas (Expanded Learning Opportunities Program, Title 1 Preschool, and Transitional Kindergarten).

ECE Administration and Governance

California's funding for ECE is variable in both source and mechanism, and the administration of ECE programs is even more complex. Many agencies are involved in administering and regulating

¹¹ California Department of Social Services. (2023). Child Care and Development Programs. Sacramento, CA. Retrieved from: <https://www.cdss.ca.gov/inforesources/calworks-child-care/subsidized-programs>

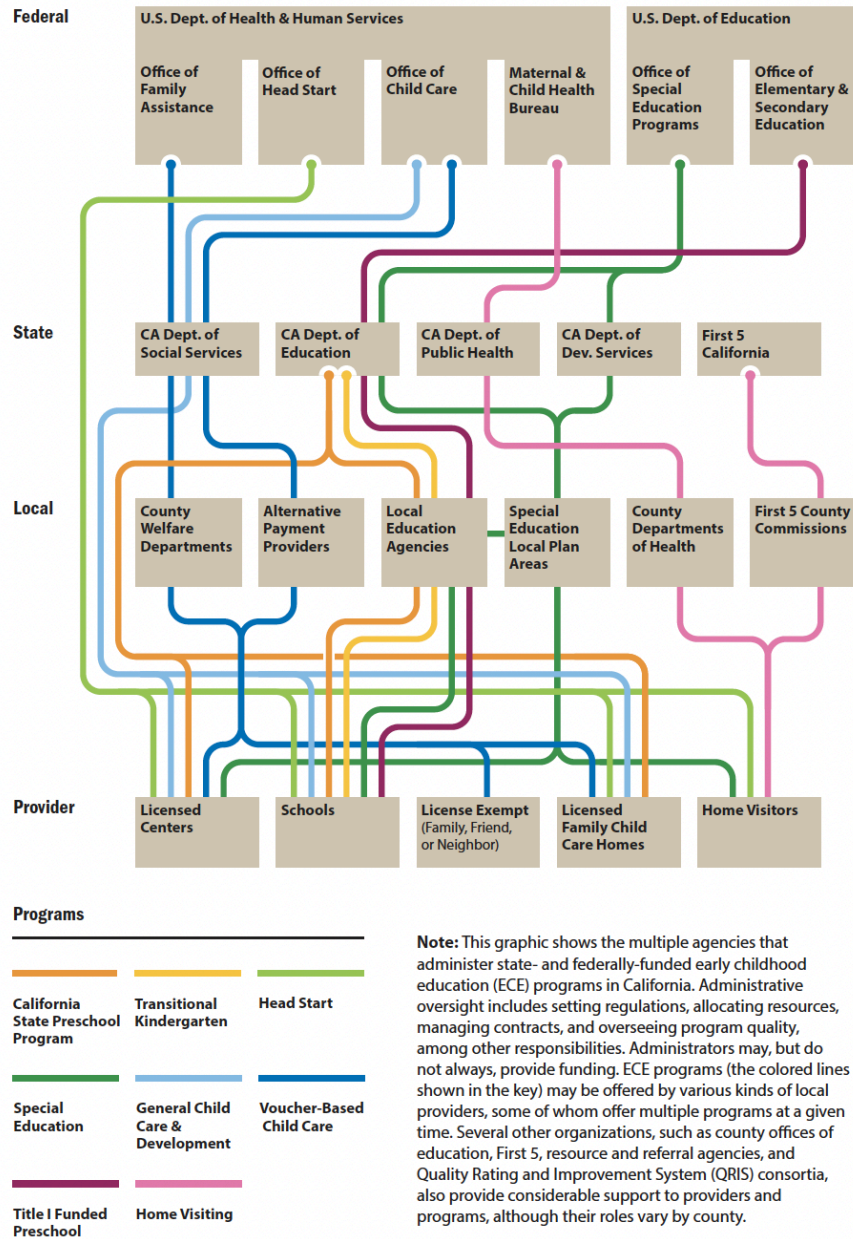
California's ECE system at the federal, state and local level (see Figure 2). Which agencies provide federal, state, and local oversight for ECE programs determines how those programs operate and ultimately the experiences of children and families. The complexity of ECE governance is particularly burdensome to the many programs in California who rely on multiple sources of state and federal funding.

For example, a single LEA may receive funding from a Head Start grant, a contract with the California Department of Education for state preschool, and direct funding through school finance formulas to provide Transitional Kindergarten. The LEA and its staff must navigate the fiscal dynamics of three different funding sources and timelines for reporting, and meet different standards for program quality. (See Section 4 for more information.) The administrative burden of these complexities has real consequences for the capacity and funding available to provide direct services to children and their families.

Furthermore, ideological differences in perspectives on the purpose of ECE programs and political shifts can impact not only funding levels, but the requirements programs must meet and the direction they are given. In California, State Preschool, Transitional Kindergarten, and the new Expanded Learning Opportunities Program are administered by the Department of Education, which is led by an independently elected State Superintendent of Public Instruction. General Child Care and voucher programs, on the other hand, are administered by the California Department of Social Services which is led by the governor-appointed Secretary of Health and Human Services. Head Start programs are administered at the local level directed by the federal government.

Figure 2: ECE Administration and Governance: Mapping Federal, State, and Local Oversight

Many Agencies Control California's ECE Programs



Major Changes and Impacts on the ECE Landscape

The expansion of Transitional Kindergarten in California has significantly reshaped the ECE landscape across the state. Implementation of Universal TK did not, however, happen in a vacuum. There have also been other major changes that have played a major role in ECE in California. These include: the transition of childcare from CDE to CDSS, the pandemic’s impacts, a declining child population, increased investment, advances in rate reform, changes to age eligibility, and adjustment factors to support programs serving younger children. Each of these influences is discussed below.

Serving Younger Children

As California’s population declines, and as enrollment of 4-year-old children in TK has increased, the number of 4-year-olds in other preschool programs has also started to decrease. State preschool, Head Start, and other preschool programs have by necessity and by policy design been incentivized to enroll more younger children, especially 3-year-olds.

Figure 3: Enrollment of 4-year-olds Across Preschool Program Types

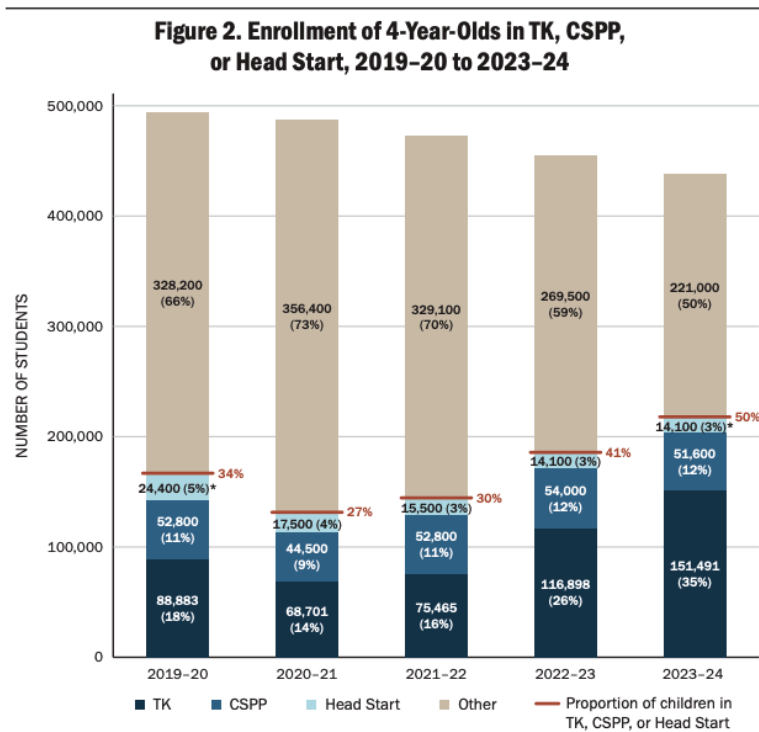


Figure 3 Source: Melnick, H., & García, E. (2024). Progressing toward universal prekindergarten in California [Brief]. Learning Policy Institute.

There are challenges, however, that accompany serving younger children. First, budgets for early childhood programs frequently rely on older children, who are less expensive to serve, to subsidize care for younger children. Older children are less expensive to serve for multiple reasons, but mainly because licensing and other quality standards allow for more children per adult or teacher as children get older. Infants typically require a 1:2 or 1:3 ratio while 4 year olds are frequently served at much higher ratios like 1:10 or 1:12. Many early childhood programs smooth the costs of enrolling children in their care over the course of 3-5 years, assuming that many parents will stay in the program overtime.

When states and localities invest in providing public-school based free or low-cost programs for preschool-age children, usually 4-year-olds, who are the least expensive to serve, private child care providers (including those who accept state subsidies) are affected.¹² When 4-year-olds are no longer enrolling in programs or sites that have been smoothing costs or subsidizing the cost of enrolling younger children, research shows the fiscal stability of the program is impacted. In addition to the costs of serving younger children without the fiscal support of 4-year-old classrooms, serving younger children comes with other challenges that can impact program staffing. Younger children are more likely to exhibit what early childhood professionals call “challenging behaviors.” Younger children are also less likely to have achieved toileting independence which can pose a challenge in terms of staffing and facility needs.¹³

In California, the legislature has taken steps to mitigate the effect of losing 4 year olds to TK on state subsidized preschool programs by increasing adjustment factors (special funding multipliers for specific populations of children) and changing enrollment priorities to encourage serving more 3 year olds in CSPP. These programs may, however, have been deterred from maximizing their recruitment efforts, due to the implementation of a “hold harmless” policy in the wake of the COVID-19 pandemic, which allowed programs to continue to receive their full contract amount (based on 2022 enrollment),

¹² Danielson, C., Guinan, B., Hayes, J., Hill, L., Malagon, P., & Allison, A. (2025, August). *California’s changing child care landscape: Understanding costs and supply* [Policy brief]. Public Policy Institute of California.

<https://www.ppic.org/publication/californias-changing-child-care-landscape-understanding-costs-and-supply/>

¹³ Bassok, D., Fitzpatrick, M., & Loeb, S. (2014). Does state preschool crowd-out private provision? The impact of universal preschool on the childcare sector in Oklahoma and Georgia. *Journal of Urban Economics*, 83, 18–33; Brown, J. H. (2018). Does public pre-k have unintended consequences on the childcare market for infants and toddlers?. Princeton University Industrial Relations Section Working Paper, 626.

regardless of current enrollment.¹⁴ The policy is set to end during the 2026-2027 fiscal year, at which point programs will have a strong incentive to recruit 3 year olds.

There are multiple reasons why child care providers may lose revenue from changes to family demographics in a particular region, to difficulty recruiting and retaining staff, to market competition in general and for specific groups of children. Regardless of the causes, when private or community-based sites lose revenue, especially revenue from preschool-age children who are less expensive to serve, their financial stability can be negatively impacted. When programs close, children, including younger children, may lose access to care.¹⁵ Although overall, licensed capacity is relatively stable and has actually grown by 6% since before the pandemic, a large gap between supply and demand for licensed infant and toddler childcare spots. In 2023, the California Child Care Resource and Referral Network reported 54,433 infant and toddler slots in child-care centers and 271,537 slots in Family Child Care Homes serving children from birth to age twelve. Even if all of these slots were leveraged to serve infants and toddlers, only 26% of all infants and toddlers (1,229,808) in California would have had access to care in 2023.¹⁶

Transition of childcare from CDE to CDSS

In 2020, as part of the January budget proposal, the Newsom Administration proposed the creation of a new Department of Early Childhood Development, which would have brought the ECE programs being administered by CDE under the same administrative structure as the programs being administered by the California Department of Social Services (CDSS) and the Community Care Licensing Division, both housed under the California Health and Human Services Agency (CHHS).

With the onset of the COVID-19 pandemic and the prediction of massive budget shortfalls the proposal was scaled back, and a revised approach was adopted.¹⁷ Ultimately, all childcare programs,

¹⁴ See: <https://www.cde.ca.gov/fg/aa/cd/beginningyrltr24.asp>

¹⁵ Danielson, C., Guinan, B., Hayes, J., Hill, L., Malagon, P., & Allison, A. (2025, August). *California's changing child care landscape: Understanding costs and supply* [Policy brief]. Public Policy Institute of California. <https://www.ppic.org/publication/californias-changing-child-care-landscape-understanding-costs-and-supply/>

¹⁶ California Child Care Resource & Referral Network. (2023). *2023 California child care portfolio*. https://rrnetwork.org/research/child_care_portfolio

¹⁷ California Legislative Analyst's Office. (2020, May). *The 2020-21 Budget: California's Spring Fiscal Outlook*. <https://lao.ca.gov/Publications/Report/4228>

including those partially funded by federal childcare funds, were transitioned from CDE administration to HHS administration and consolidated under CDSS. The California State Preschool Program remained under the purview of CDE, along with Transitional Kindergarten and the Expanded Learning Opportunities Program. The CDE leveraged the shift of childcare to CDSS to launch a preschool-to-third-grade alignment initiative with the goal of education programs under its administration, including state preschool, achieving greater coherence.¹⁸ (See Section 5: P-3 Instructional Continuity).

Recent years have demonstrated the consequences of a “system” without unified leadership. Differences in political or ideological perspectives can create misalignments, and the potential for political transitions can create instability in partnerships across programs. This tumult can have real consequences for programs that impact the availability and quality of ECE programs for children and families.

The COVID-19 Pandemic

The COVID-19 pandemic had a profound impact on families’ access to care, the ability of early childhood educators to provide services, and the overall infrastructure that supports early care and education opportunities throughout the state. Enrollment and attendance across all ECE programs declined and some programs closed their doors.¹⁹ Community-based childcare programs and family childcare homes receiving private tuition were more negatively impacted by the pandemic and its fallout than federally-funded Head Start programs and state-subsidized programs relying on state contracts or grants, particularly those administered by local educational agencies (LEAs),²⁰ because funding for these programs was largely sustained despite drops in attendance or temporary closures.

¹⁸ California Department of Education. (2023). *Preschool through Third Grade (P-3) Alignment*. <https://www.cde.ca.gov/ci/gs/p3/>

¹⁹ Department of Health and Human Services. (2020). *National snapshot of state agency approaches to child care during the COVID-19 pandemic*. (Report No. A-07-20-06092). U.S. Department of Health and Human Services, Office of Inspector General, Office of Audit Services. <https://oig.hhs.gov/oas/reports/region7/72006092.pdf>; <https://www.air.org/sites/default/files/Californias-Family-Child-Care-Networks-Report-Dec-2020rev2.pdf>

²⁰ Kim, Y., Montoya, E., Doocy, S., Austin, L., Whitebook, M. (2022). Impacts of COVID-19 on the early care and education sector in California: Variations across program types. *Early Childhood Research Quarterly*, Volume 60, 2022, Pages 348-362, ISSN 0885-2006. Retrieved from <https://www.sciencedirect.com/science/article/pii/S0885200622000254>

The ECE workforce, primarily older women of color, were at higher risk of significant complications from COVID-19 infections, which may have contributed to shortages in an already struggling workforce.²¹ Despite evidence of a rebound towards pre-COVID funding and attendance levels for many program types,²² the impact of COVID on the potential growth of the ECE sector cannot be overstated.

Other changes to Programs and Policies

In the wake of the COVID-19 pandemic and its impacts on the ECE field, and alongside significant investments in Transitional Kindergarten, the California Department of Education (CDE) was directed to convene a workgroup, in consultation with the California Department Social Services (CDSS) and the State Board of Education (SBE), to provide recommendations for increasing access to high-quality universal preschool programs for three- and four-year-old children offered through a mixed-delivery model that provides equitable learning experiences across a variety of settings.²³ The report provides many recommendations for preschool quality standards and access, which are being reviewed, and in some cases implemented, by staff in the relevant offices.

In addition to the increased investments in a variety of state-subsidized ECE programs, the state legislature has enacted several significant policy changes to support CSPP and General Child Care and Development Program (CCTR) program stability, in alignment with recommendations made by the workgroup. Specifically, in the 2025-2026 budget agreement, the legislature moved to allow contracted programs to be reimbursed based on enrollment rather than attendance. Advocates and practitioners have long sought this policy change which allows programs serving high-needs children and families to draw down funds and plan staffing more effectively despite variations in attendance that can be impacted by sickness, travel, natural disasters and other factors outside of the program's control.

²¹ Powell, A., Montoya, E., Kim, Y. (2022) Demographics of the California ECE Workforce. Berkeley, CA: Center for the Study of Child Care Employment. Retrieved from:

<https://cscce.berkeley.edu/publications/data-snapshot/demographics-of-the-california-ece-workforce/>

²² Friedman-Krauss, A. H., Barnett, W. S., Hodges, K. S., Garver, K. A., Duer, J., Weisenfeld, G., & Siegel, J. (2025). The State of Preschool 2024: State Preschool Yearbook. New Brunswick, NJ: National Institute for Early Education Research. Retrieved from: <https://nieer.org/yearbook/2024/state-profiles/california>

²³ California Department of Education. (2024, March). *Universal PreKindergarten Mixed Delivery Quality and Access Report: A Report to the Fiscal and Policy Committees of the Legislature and the Department of Finance*. https://drive.google.com/file/d/15cZWN4kE4GwxoG_mDWqEnGm5Qrg8yTwK/view

The legislature also approved policy changes to support ECE programs, specifically CSPP and CCTR, in serving younger children. Specifically, in the 2023-2024 budget agreement, the legislature extended the toddler adjustment factor to 3 year olds, which allows programs to be reimbursed at a higher rate for these children. The legislature made this change in acknowledgement of the additional costs associated with serving younger preschoolers given the transition of many 4 year olds to Transitional Kindergarten.²⁴

Unionization and Advances in Rate Reform

At the end of the 2019-2020 state legislative season, Governor Newsom signed AB 378 into law, allowing family childcare and license-exempt providers caring for children receiving subsidies to join a union, Child Care Providers United, and collectively bargain with the state.²⁵ This new union brought with it additional rights and influence for a sector of ECE providers that has historically been under-represented in policy decision making. As a result, the ECE workforce has seen an increase in union representation. In 2020 just 24% of the state’s family childcare providers and 23% of center-based providers belonged to a union. As of 2025, the Center for the Study of Child Care Employment found that 49% of the state’s family childcare providers belonged to a union, 42% of state preschool teachers belonged to a union, and 88% of TK teachers belonged to a union. Notably, only 7% of teachers in Title 22 centers were unionized.²⁶

Reimbursement rates for state-funded preschool and childcare programs are complex, and California has been in the process of reforming its reimbursement rate system for several years. Historically, reimbursement rates for voucher childcare programs, through the Alternative Payment Program and CalWorks, were determined by the Regional Market Rate (RMR) through a process outlined by federal Child Care and Development Block Grant (CCDBG) law; while contracted childcare

²⁴ Bassok, D., Fitzpatrick, M., & Loeb, S. (2014). Does state preschool crowd-out private provision? The impact of universal preschool on the childcare sector in Oklahoma and Georgia. *Journal of Urban Economics*, 83, 18–33; Brown, J. H. (2018). Does public pre-k have unintended consequences on the childcare market for infants and toddlers?. Princeton University Industrial Relations Section Working Paper, 626.

²⁵ Office of Governor Gavin Newsom. Governor Newsom Signs Legislation Allowing Child Care Providers the Right to Unionize. September 30, 2019. Retrieved from: <https://www.gov.ca.gov/2019/09/30/governor-newsom-signs-legislation-allowing-child-care-providers-the-right-to-unionize>

²⁶ Statistics provided by Anna Powell, update citation when publication is released.

and preschool programs, including the General Child Care and Development Program (CCTR) and California State Preschool Program (CSPP), were reimbursed using the Standard Reimbursement Rate (SRR), which was determined annually in the state budget.

In 2021, the state took initial steps to address the challenges created by its bifurcated rate system by combining the SRR and RMR into a single rate system that varies by county.²⁷ In 2021, an agreement was also reached between Child Care Providers United (CCPU) and the State of California, which was codified via Assembly Bill (AB) 131 (Chapter 116, Statutes of 2021), to establish a Joint Labor Management Committee (JLMC) responsible for developing recommendations for a single reimbursement rate structure.

The CDSS, in consultation with CDE, was directed to convene a workgroup to assess the reimbursement rate methodology for childcare and development programs and preschool programs, called the Rate and Quality Workgroup. The workgroup provided information and recommendations to the JLMC, the Department of Finance (DOF), and the Joint Legislative Budget Committee in August of 2022. Rate reform was slated to go into effect July 1, 2025, however the state's most recent budget delayed development and implementation of a new formula.²⁸

Funding Mechanisms for Title 5 Programs

Although reimbursement rates are now standardized across programs, adjustment factors, shown below, still vary. Adjustment factors are intended to account for the additional costs of providing care to children with specific needs. In the case of child age, the difference in reimbursement is meant to account for the fact that younger children require lower child-to-staff ratios.

Adjustment factors are not “stackable” which means that a program that serves a toddler who is also a dual language learner, does not receive the increase associated with both toddlers and dual language learners. Instead, this program would receive the adjustment factor for toddlers,

²⁷ California Department of Social Services (2022, August). A Report by the Rate and Quality Workgroup. Sacramento, CA. Retrieved from: https://cdss.ca.gov/Portals/9/CalWORKs/CCT/CCDD/Rate%20and%20Quality%20Stakeholder%20Workgroup%20Report_August%2012%202022_FINAL_.pdf?ver=2022-08-12-092638-323

²⁸ California Department of Social Services. (2022, August 15). Rate & Quality Workgroup summary report. <https://earlyedcalifornia.org/wp-content/uploads/2022/09/Rate-Quality-Workgroup-Summary-Report.pdf>

because this is the higher of the two factors. The only exception to this rule is the adjustment factor for mental health consultation, which can be applied in addition to any other adjustment factor as long as the associated services detailed in statute are being provided.

Adjustment Factors for Reimbursement Rates

	CDE Title 5 Programs (CSPP)	CDSS Title 5 Programs (CCTR, CMIG, & CHAN)
Age of Children Served	<p>1.8 for 3-year-olds</p> <p>1.8 for 2-year-olds through June 30, 2027</p>	<p>2.44 for children 0 to 18 months of age</p> <p>1.8 for children 18 to 48 months of age</p>
Length of Day	1.18 for Full-day CSPP programs that 10.5 hours or more per day	N/A
Disability Status	2.40	1.54
At-Risk Status	1.1 for children at risk of neglect, abuse, or exploitation	1.1 for children at risk of neglect, abuse, or exploitation
Dual Language Learner	1.2	1.1
Mental Health Consultation Services	<p>1.1 for 4 year olds in classrooms where mental health consultation services are provided</p> <p>1.8 for 2- and 3-year-old children in classrooms where mental health consultation services are provided</p>	N/A

Meeting the Needs of California's Children and Families

UPK implementation is an ongoing process and California is just entering its first years of full implementation of universal Transitional Kindergarten. This is a critical period for the state to evaluate how well UPK is meeting the needs of children and families across the state and make adjustments to program policies, funding, structure, or support to improve it. This section provides initial data and analysis related to how many children across California are accessing UPK, particularly TK; whether UPK programs are providing developmentally appropriate learning opportunities, how well programs are serving children with disabilities and multilingual learners, and how well working parents are being supported through before and after school programs.

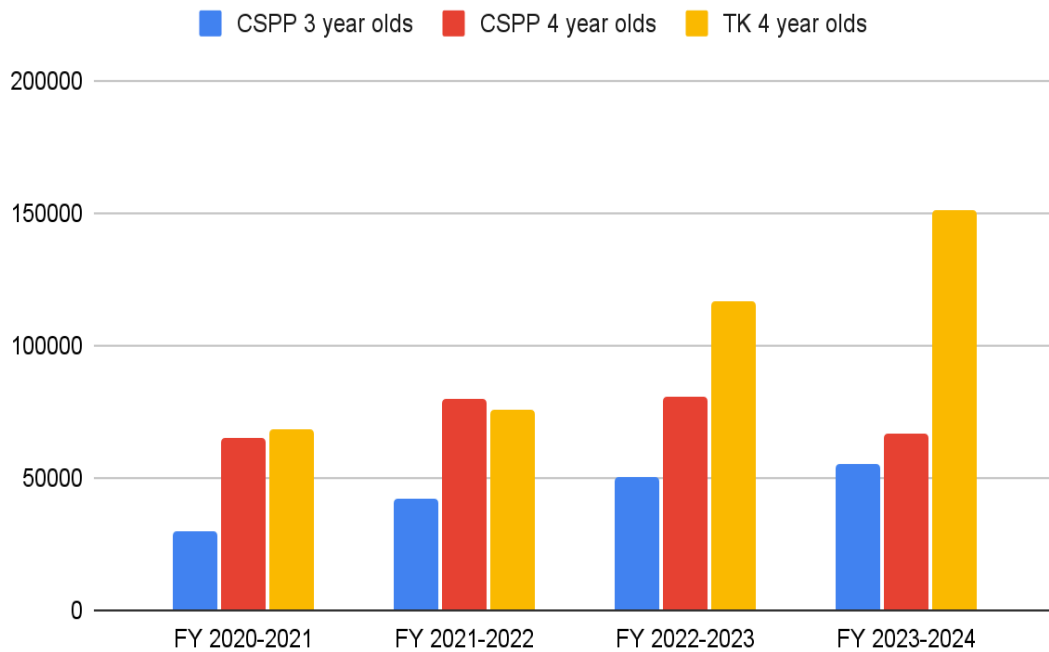
Access

During the 2023-2024 school year, state- or federally-funded preschool programs in California enrolled 252,826 children (Census Day enrollment), an increase of 35,847 from the prior year, which represented 48% of its 4-year-old and 10% of its 3-year-old populations. Although much of this growth is attributable to the expansion in age-eligibility, recent surveys of enrollment of 4-year-olds across programs has been on the rise, while enrollment of 3-year-olds has not increased more slowly (see Figure 4).

Overall enrollment in TK has increased over time from 68,701 during the 2020-2021 and 75,465 in 2021-2022, the years before age-eligibility for TK began to expand, to 151,491 during the 2023-2024 school year. While racial demographic groups saw growth in TK enrollment, the amount of growth varied, ranging from 130% for multiracial students to 95% and 82% growth for Latinx and American Indian Alaskan Native students respectively. Additionally, elementary schools with higher poverty levels saw the largest increases in TK enrollment between 2021-22 and 2023-24. Schools with the highest poverty rate grew their TK enrollment at nearly three times the rate of schools with the lowest poverty rate.²⁹

²⁹ Saucedo, E. (2025). Analyzing Transitional Kindergarten Enrollment: Trends and Expansion (2021-22 to 2023-24) for Early Learners in California. California Budget and Policy Center.

Figure 4: State Funded Preschool Enrollment in California



LEAs across California showed that TK is also being offered at more school sites. In the 2022–23 school year, 81% of LEAs offered TK at all elementary sites, and 82% of LEAs offered a full-day TK option. Despite this overall growth in enrollment, with many more children accessing TK, the overall take-up rate, or the proportion of children who are eligible for TK that enroll, has been declining. In 2023-2024, the take-up rate for TK was 70%, as compared to 74% the year prior (See Figure 5).

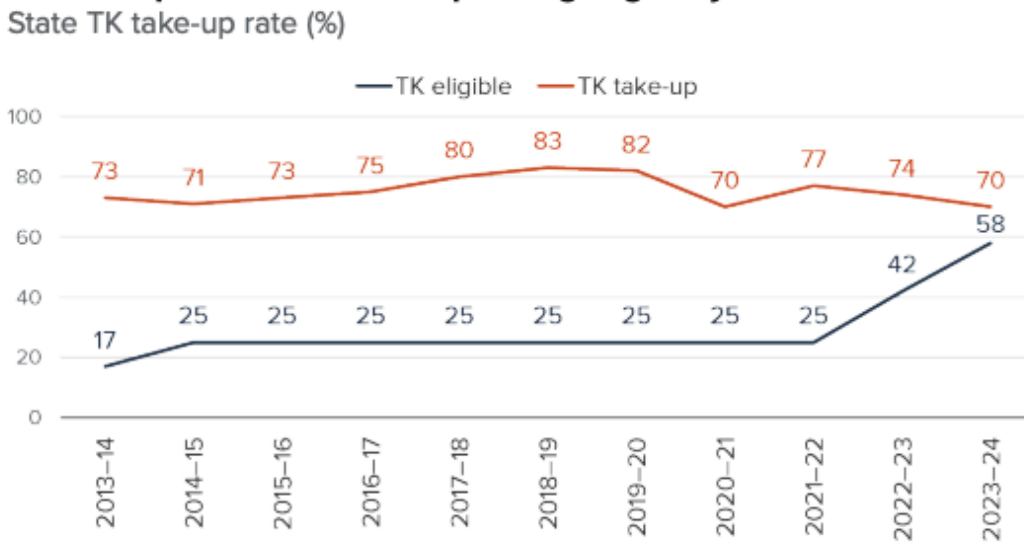
Although some in the ECE field across California are alarmed by this trend, it may be explained, in part, by the fact that the increase in eligible children is driven by adding younger children, whose parents may believe are not ready for preschool in an elementary school setting.³⁰ Furthermore, TK uptake is within the range of other states offering Universal Pre-K, including Florida, Iowa, Oklahoma, Vermont, West Virginia, and Wisconsin. Post-pandemic, Pre-K enrollment also declined in each of these states (except for Iowa).³¹

³⁰ Stanford, L. (2023, January 25). *Which States Offer Universal Preschool? It’s More Complicated Than You Might Think*. Education Week.

<https://www.edweek.org/teaching-learning/which-states-offer-universal-pre-k-its-more-complicated-than-you-might-think/2023/01>

³¹ Melnick, H., & García, E. (2024, October). *Progressing toward universal prekindergarten in California* [Brief]. Learning Policy Institute. https://learningpolicyinstitute.org/media/4468/download?inline&file=CA_UPK_Uptake_BRIEF.pdf

Figure 5: Transitional Kindergarten “Take-Up” Rates Over Time



SOURCE: California Department of Education (CDE) TK Census Day enrollment.

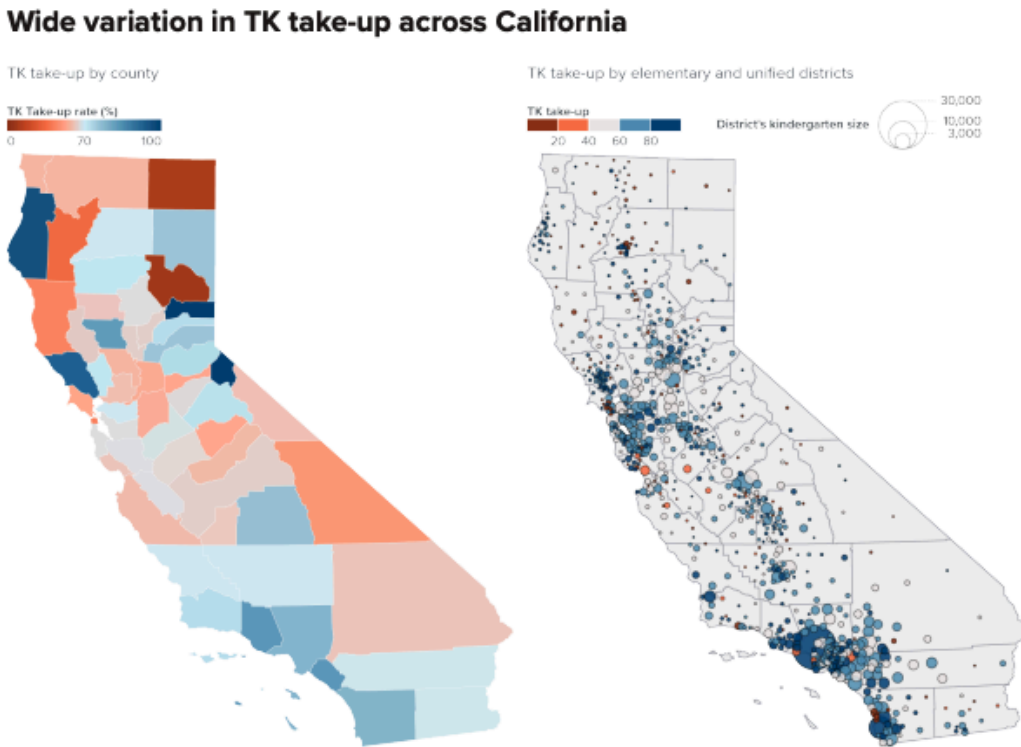
Source: Hill, L., & Lawton, M. (2025). *California’s Transitional Kindergarten Expansion*. Public Policy Institute of California. <https://www.ppic.org/publication/californias-transitional-kindergarten-expansion/>

Other factors also influence whether families have access to TK. For the most part, TK take-up rates are significantly higher in southern California and along the coast (See Figure 6). Take-up rates have also increased more in high-poverty elementary schools than other schools.³² Some Basic Aid districts, which do not receive funding through the state’s funding formula (LCFF) for TK, have opted not to offer TK, despite the CDE’s guidance that statute requires them to do so. To date, no penalties have been assessed for any districts failing to offer TK. Nonetheless, the share of Basic Aid districts offering TK has increased. Prior to the pandemic, fewer than two-thirds of Basic Aid districts provided TK and as of the 2023-2024 school year, that number was up to 80%. Despite this progress, researchers have estimated that 55% of eligible children without access to TK live in a Basic Aid district.³³

³² Saucedo, E. (2025, April). *Trends in Transitional Kindergarten enrollment in California: Analyzing Transitional Kindergarten enrollment trends and expansion (2021-22 to 2023-24) for early learners in California*. California Budget & Policy Center. Retrieved from: <https://calbudgetcenter.org/resources/trends-in-transitional-kindergarten-enrollment-in-california/>

³³ California’s Transitional Kindergarten Expansion. (2025). Laura Hill and Maya Lawton, with research support from Beyond Deng. <https://www.ppic.org/publication/californias-transitional-kindergarten-expansion/>

Figure 6: Geographical Variation of TK Take-up Rates Across California.



Source: California’s Transitional Kindergarten Expansion. (2025). Laura Hill and Maya Lawton, with research support from Beyond Deng. <https://www.ppic.org/publication/californias-transitional-kindergarten-expansion/>

Access may also be influenced by facility constraints. In a 2024 survey 249 LEAs (18% of all respondents) indicated not having enough classroom space. These LEAs reported needing a total of 946 additional UPK classrooms to accommodate projected enrollment by 2025–26, though this number was cut in half by the following year.³⁴

Developmentally Appropriate Practices

Research on how children learn and develop has clearly established that children thrive when they experience safe, developmentally appropriate learning environments in the context of nurturing relationships with adults and peers. NAEYC defines “developmentally appropriate practice” as practices that promote child development and learning through “a strengths-based, play-based approach to joyful, engaged learning.” Developmentally appropriate practice builds upon each child’s strengths in

³⁴ Wang, V., Melnick, H., Leung-Gagné, M., Parker, S., & Wechsler, M. (2025). *California’s universal prekindergarten implementation progress, 2023–24*. Learning Policy Institute. <https://doi.org/10.54300/600.551>

learning environments that support children’s learning across all domains of development. NAEYC adds that “to be developmentally appropriate, practices must also be culturally, linguistically, and ability appropriate for each child.”³⁵

A related tension between the fields of early childhood education and K-12 education involves the value placed on play-based, child-directed teaching practices versus educator-directed teaching practices.³⁶ In the field of early childhood education play is considered a central ingredient in children’s learning and development. Playful, hands-on learning activities challenge children to grow, test their limits, and learn how to overcome obstacles and cope with frustrations—foundational skills for future learning.³⁷ A common concern is that Transitional Kindergarten teachers will not provide the playful learning opportunities that may be most developmentally appropriate and effective for 4-year-olds.

This concern is heightened by the lack of specificity in requirements for the use of curricula, and a worry that TK teachers do not have strong backgrounds or preparation in developmentally appropriate instruction for 4-year-olds. (Preparation requirements and how they compare to other ECE programs in California are explored in depth in Section 2).

Only one study offers any systematic information on the implementation of TK, and it doesn’t directly address the concerns discussed above. The Learning Policy Institute found that 56% of LEAs in 2022-2023 reported using a curriculum that is specific to literacy, math, or social and emotional learning, 52% reported using a PreK curriculum specific to literacy, and 30% reported using a PreK math-specific curriculum in their TK classrooms. Meanwhile, 26% of all LEAs reported using a kindergarten curriculum in their TK classrooms.³⁸ The same study found that in 2022–23, the most common professional development topics LEAs offered to TK teachers were children’s literacy and

³⁵ NAEYC (2020). Developmentally Appropriate Practice (DAP) Position Statement, Page 5. Retrieved from: https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/resources/position-statements/dap-statement_0.pdf,

³⁶ McCabe, L. A., & Sipple, J. W. (2011). Colliding worlds: Practical and political tensions of prekindergarten implementation in public schools. *Educational Policy*, 25(1), e1-e26.

³⁷ Taylor, M. E., & Boyer, W. (2020). Play-based learning: Evidence-based research to improve children’s learning experiences in the kindergarten classroom. *Early Childhood Education Journal*, 48(2), 127-133; California Department of Education. (2021). The Powerful Role of Play in Early Education. Best Practices for Planning Curriculum for Young Children. <https://tkcalifornia.org/wp-content/uploads/2022/02/powerfulroleofplay.pdf>.

³⁸ Wang, V., Melnick, H., Leung-Gagné, M., Parker, S., & Wechsler, M. (2025). California’s universal prekindergarten implementation progress, 2023–24. Learning Policy Institute. <https://doi.org/10.54300/600.551>

language development (53%), children’s social-emotional development (48%), and curriculum selection and implementation (32%).³⁹ It will be important for the state to gain further information about the implementation of TK to guide efforts to ensure its developmental appropriateness and effectiveness.

Serving Children with Disabilities

High-quality inclusion in early education supports all children’s development, relationships with peers, and sense of belonging.⁴⁰ Children with disabilities benefit from being included in early education, and children without disabilities also have more positive developmental outcomes in inclusive environments.⁴¹ Similar to other grades, LEAs are required to identify children in TK who are eligible for an Individualized Education Plan (IEP) and are required by federal law to support those students to learn in the least restrictive environment. Special services and accommodations for participation in a TK classroom may be outlined in a student’s IEP, and LEAs are required to provide them. School districts are required to meet the needs of all children with disabilities who live within the boundaries of their districts.

As California focused on expanding UPK, the legislature also directed the California State Preschool Program to phase-in a requirement, inspired by a similar longstanding requirement for Head Start programs--to reserve 10 percent of funded enrollment (spaces) under each contract for children with IEPs pursuant to IDEA.⁴² In 2023 and 2024, the legislature slowly pulled back this requirement, landing on a final set-aside of reserving 5% of funded enrollment for children with disabilities. It is not yet clear how impactful this requirement has been in supporting access to ECE among children with disabilities.

Data from the California Department of Education, however, does provide the proportion of children, ages 3 to 5 years, with IEPs who are included in LEA general education settings (TK or LEA-run

³⁹ Wang, V., Melnick, H., Leung-Gagné, M., Parker, S., & Wechsler, M. (2025). California’s universal prekindergarten implementation progress, 2023–24. Learning Policy Institute. <https://doi.org/10.54300/600.551>

⁴⁰ Odom, S. L., Buysse, V., & Soukakou, E. (2011). Inclusion for young children with disabilities: A quarter century of research perspectives. *Journal of early intervention*, 33(4), 344-356.

⁴¹ Meloy, B., Gardner, M., & Darling-Hammond, L. (2019). *Untangling the evidence on preschool effectiveness: Insights for policymakers*. Palo Alto, CA: Learning Policy Institute.

⁴² Early Education Division Management Bulletin (23-02) Retrieved from: <https://www.cde.ca.gov/sp/cd/ci/mb2302.asp>

preschool programs) as well as the proportion being served in other preschool settings. The majority of children with IEPs in this age group are being served in non-LEA preschool settings. Although the proportion of these children in non-LEA preschool settings has dropped, slightly, in recent years, the total number of children with IEPs enrolled in either LEA or non-LEA settings has gone up, suggesting a fairly stable number of children with IEPs enrolled in non-LEA preschool settings. We do not have data on whether non-LEA preschool settings are inclusive settings. However, among children enrolled in LEA administered preschool programs, the vast majority spend at least 80% of their day in a general education setting.

Table 1: Educational Settings of Children Ages 3-5 with IEPs

	Total Enrollment	Percent in LEA General Education (GE) 80%+ of day	Percent in LEA GE 40-79% of day	Percent in LEA GE 39% or less of day	Percent in Separate LEA Setting	Any Non-LEA Preschool Setting
2022- 2023	76,894	25.1%	1.5%	13%	2.2%	58.1%
2023- 2024	88,599	26.5%	1.5%	12.7%	2.1%	57.1%
2024- 2025	99,581	28.6%	1.4%	13.2%	1.8%	55%

Source: CDE [DataQuest Special Education Enrollment by Program Setting](#) (2022-2023; 2023-2024; 2024-2025)

Serving Multilingual Learners

In California, nearly 60% of children under the age of five are multilingual learners.⁴³ Multilingual learners are children who are simultaneously learning two or more languages or are learning a second language while continuing to develop their first language. Despite the well-documented long-term benefits of early learning experiences, multilingual learners often face barriers to accessing inclusive and high-quality early childhood education, because they are less likely

⁴³ Migration Policy Institute, National Center on Immigrant Integration Policy, "U.S. Young Children (ages 0 to 5) by Dual Language Learner Status: National and State Sociodemographic and Family Profiles" (data tables, MPI, Washington, DC, 2021)

to enroll in ECE programs and because they are less likely to be able to engage fully in learning opportunities provided in mono-lingual ECE settings without home language support.⁴⁴

Similar to other grades, LEAs are required to provide multilingual learners [referred to as English Learners (ELs) in K-12] in Transitional Kindergarten with support until they can be reclassified as Fluent English Proficient. Recent changes, however, have prohibited the use of the English Language Proficiency Assessment for California (ELPAC) in TK because it is not considered developmentally appropriate. As a result, LEAs are not required to identify TK students who are ELs, although with authority from recent legislation, CDE has begun the process of reviewing options for an alternative assessment.⁴⁵ A recent survey of LEAs found that 27% of LEAs offered no support for home language development to multilingual learners enrolled in TK in 2022-2023. 57% of LEAs reported offering home language support in the context of English-only instruction in TK (although this support was not defined), and only 16% have some type of non-English instructional focus.⁴⁶

More than one-third of the LEAs that are not providing non-English support to TK students have student populations in which one third or more of the students are multilingual learners. These statistics stand in stark contrast to the Head Start program in particular, which has traditionally set forth numerous requirements for meeting the needs of children whose home language is not English, including a requirement that any classroom with more than 50 percent of students speaking the same non-English language is required to have a bilingual teacher.

Data about how California State Preschool Programs provide support to multilingual learners is limited but set to improve, given new requirements that programs use a “Family Language Instrument” for all families, and when indicated, conduct a “Family Language Interest Interview.” Programs must submit this data to the CDE, which houses it in the Preschool Language Information System (PLIS). Other childcare programs do not have requirements to serve children with disabilities or children whose home language is not English. However, surveys of California families’ reveal a preference for

⁴⁴ Park, M., Hofstetter, J., & Giang, I. T. N. (2022). Overlooked but essential: Language access in early childhood programs. Migration Policy Institute.

⁴⁵ California Department of Education. (2024, June 20). *Interim guidance on transitional kindergarten students and English language proficiency testing* [Correspondence]. <https://www.cde.ca.gov/sp/ml/tkguidanceletter.asp>

⁴⁶ Wang, V., Melnick, H., Leung-Gagné, M., Parker, S., & Wechsler, M. (2025). *California’s universal prekindergarten implementation progress, 2023–24*. Learning Policy Institute. <https://doi.org/10.54300/600.551>

family childcare or family friend and neighbor care among families that speak languages other than English.⁴⁷ Research suggests that this preference stems from families' interest in having a caregiver with a similar cultural background and shared language(s) spoken.

Before- and After Care

Before- and after-school programs extend and expand learning opportunities for children enrolled in TK, preschool, and childcare programs. These programs enable parents to choose programs that do not provide the hours they need to accommodate their work schedules. Working parents are challenged by half-day programs and even full-day TK programs, which can provide as little as 4.5 hours per day. Before- and After-School programs, like other programs in the ECE sector, are funded and administered at the federal, state, and local level. Alongside the Newsom administration's expansion of TK, the Expanded Learning Opportunities Program (ELOP) debuted in 2021-2022.

The ELOP provides funding to districts based on the number of TK-6th grade students and the overall percentage of TK-6 unduplicated students (low-income, English learners, and foster youth) in the district, rather than the number of students served or intended to be served. Overall funding for ELOP started at \$1.7 billion in 2021-22, increased to \$4 billion in 2022-23, and increased at \$4.6 billion in 2025-26.⁴⁸ At full implementation, the program is intended to provide all students with access to nine hours of academics and enrichment activities per instructional day and 30 non-school days during the summer or intersessions, with special adult:child ratios for TK students (10:1), and to provide unduplicated students with free or low-cost access to these services. Data on enrollment in ELOP for recent school years has not been collected. Starting in the 2025-26 academic year, however, LEAs will be required to submit annual enrollment data for ELOP and other before- and afterschool programs to the CDE.

⁴⁷ Powell, A., Adejumo, T., Austin, L.J.E., & Copeman Petig, A. (2023). *Caregiver Motivation, Identity, and Resilience*. Center for the Study of Child Care Employment, University of California, Berkeley.

⁴⁸ California Department of Finance. 2021-22 Budget Summary: K-12 Education. Retrieved from <https://ebudget.ca.gov/2021-22/pdf/Enacted/BudgetSummary/K-12Education.pdf> See page 18, <https://ebudget.ca.gov/2025-26/pdf/BudgetSummary/TK-12Education.pdf>.

Serving Younger Children

The state has invested, in recent years, in addressing the costs of childcare, creating additional capacity to serve our youngest learners (birth through age 3, and supporting provider stability as more four-year-olds attend TK. Absent state or federal subsidies, the financial burden of ECE for families is substantial. Data from the most recent Regional Market Rate (RMR) survey indicates that the median annual cost of full-time care for children ages two to four ranges from \$9,000 to \$24,000 across counties. For infants and toddlers under the age of two, these costs are even more pronounced, ranging from \$11,000 to \$29,000. When weighed against median household incomes—which span from \$60,000 to \$239,000—the full-time cost of preschool care constitutes between six and 18 percent of median income, while the cost for infant care represents eight to 28 percent.⁴⁹

Between 2016 and 2021, legislatively mandated reimbursement rates for numerous publicly supported programs experienced across-the-board increases, often exceeding the growth seen in private market rates. Between 2021 and 2025, inflation-adjusted subsidized rates rose by an additional 8 percent statewide. Beginning in January 2024, monthly "cost of care plus rate" (CCPR) payments have served to supplement Regional Market Rate (RMR) based payments for both licensed and license-exempt subsidized providers.³⁰

For families and providers without access to state subsidies, the costs of providing and accessing care remain high. In 2023, only one in seven children eligible for subsidized childcare were receiving services.⁵⁰ This proportion continues to grow, as the state invests in increasing subsidized care capacity. Overall, the capacity for early care and education currently stands six percent higher than pre-pandemic levels. This growth is attributable to modest increases in the supply of home-based child care beginning in 2023 and the continued expansion of Transitional Kindergarten enrollment since 2022. Furthermore, in 2021, the state committed to adding over 200,000 new subsidized child care spaces over several years to its existing roster of approximately 270,000. As of 2024–25, California has successfully added nearly 130,000 of these spaces.⁵¹ Despite these increases, child care deserts persist,

⁴⁹ Danielson, C., Guinan, B., Hayes, J., Hill, L., Malagon, P., & Allison, A. (2025, August). *California's changing child care landscape: Understanding costs and supply*. Public Policy Institute of California.

⁵⁰ Pryor, L., & Schumacher, K. (2025, February). *The unmet need for child care remains staggeringly high*. California Budget & Policy Center.

⁵¹ Child Care Law Center. (2025, October 6). *Analysis of child care funding in the California budget FY 2025-26*.

with some areas of the state, particularly areas of the state with the lowest median incomes, only having child care spaces to serve about one third of their children from birth to age 4.⁵²

Analysis

Overall, California has made significant progress towards increasing access to early childhood education for its 4-year-old children and supporting early childhood education in general. This review, however, identified a few areas that need additional attention related to infants and toddlers, payment policies, before and after-school care, communicating about TK, and governance. We discuss these issues below.

The state has made strides in encouraging and supporting programs to serve younger preschoolers as the implementation of TK produces declines in their enrollment of 4-year-olds. Less progress has been made towards increasing access to ECE for infants and toddlers. As California achieves its goals for UPK capacity, policymakers should consider prioritizing access to care for infants and toddlers, and for 3-year-olds. Critically, increasing support to the care for younger children may counteract many of the negative impacts of TK implementation on community-based and private programs and stabilize programs serving the state's youngest children.

Both access and quality of ECE experiences across programs could be served by changing adjustment factors and considering making them stackable. Having adjustment factors that are not stackable ignores the reality of intersecting needs and reduces program ability to fully meet the needs of California's diverse young learners. Infants and toddlers with disabilities may very well be more expensive to serve than preschoolers with disabilities. Adjustment factors should mirror the additional costs associated with providing care for children with specific, additional needs. The state should consider mapping adjustment factors more closely to the estimated cost of care and how those costs increase with a child's intersecting needs.

In addition, before- and after school programs that support extended care for young children must be included in discussions, decision making, and state support systems for ECE. Before- and after-school programming is often designed to meet the needs of school age children, but as the

⁵² Danielson, C., Guinan, B., Hayes, J., Hill, L., Malagon, P., & Allison, A. (2025, August). *California's changing child care landscape: Understanding costs and supply*. Public Policy Institute of California.

implementation of TK brings younger children in the “school age” category in California, their needs must be considered. Before- and after-school administrators need expertise in program design for preschoolers.

Furthermore, if California hopes to increase enrollment in TK, it must address the challenges it has created in communicating about UPK as an amalgamation of programs with diverse eligibility requirements and program offerings. Philanthropy invested in a communications campaign, administered in partnership with the California Department of Education, to support the rollout of Universal Transitional Kindergarten. Because of political pressures to brand prekindergarten funding as mixed-delivery, the communication strategy was muddled. Messages about the availability of TK to every four year old got lost in advertisements of Universal Pre-Kindergarten, which attempted to include every program that traditionally served 4-year-olds. At this stage, if the state wishes to reach more parents and provide them with information about the availability and benefits of TK, it should provide state-level funding for a communications campaign with a clear directive to focus on TK.

Finally, any effort to stabilize and create coherence in California’s ECE system will require state policymakers to revisit their vision for ECE administration and alignment. At the outset of his administration, Governor Newsom indicated that elevating ECE in the state’s administrative hierarchy and consolidating program governance under a single set of agency decision makers would create better coherence and alignment and allow for system changes that benefit every sector of ECE, rather than pitting them against one another. The pandemic and subsequent budget constraints prevented the realization of that vision. The decision that followed- to transfer the administration of some, but not all, Title 5 programs, to the Department of Social Services while maintaining others alongside Transitional Kindergarten at the Department of Education, has led to an entrenchment of long-standing divisions in early childhood and policy misalignment across multiple areas (See Section 4 for examples related to quality). Meanwhile, the fragmented and disconnected governance structure continues to burden programs with complex requirements that divert staff from a focus on children.

In order to be successful, Early Childhood Education policy must support both access -- meeting the needs of families for care -- and quality -- providing learning experiences that support children’s optimal development and ensure they thrive. Doing so requires joint decision making across all programs in a system that prioritizes alignment and coherence, while respecting the diverse

perspectives that advocate for the needs of children and their families. In order to achieve this, California may wish to revisit the possibility of creating an Early Childhood Education Department, similar to the Departments in Georgia, Massachusetts, and New Mexico, under which all early childhood governance would fall. Alternatively, the state could consider creating a coordinating office, like the Michigan Office of Great Start, or an Early Childhood Board or Cabinet, like those in Connecticut and Minnesota, with authority to oversee regulatory and grant making processes, hear from individual program leads and the public, and make decisions that ensure coherence and alignment of a true system.

Appendix A: ECE Program Funding and Administration

FIGURE 2.1

Vouchers

Program	Administration	Availability	Funding Sources
Alternative Payment Program (CAPP)	DSS contracts with APPs to distribute vouchers	Limited based on annual state budget and federal budget appropriation	State: Non-98 General Fund Federal: CCDF ARPA Stabilization (one-time), ARPA Discretionary (one-time)
CalWORKs Stage One	Administered by DSS through county welfare departments, sometimes through contracts with APPs	An entitlement program (i.e. services available for all eligible children for families enrolled in CalWORKs)	State: Non-98 General Fund Federal: TANF
CalWORKs Stage Two	DSS contracts with CAPP. Small portion administered by the California Community College system through on-campus centers or vouchers for students.	Limited based on annual state budget and federal budget appropriation, but those eligible for it are also eligible for Stage One if unavailable (and so considered to be an entitlement)	State: Non-98 General Fund Federal: TANF, Title XX
CalWORKs Stage Three	CDSS contracts with APPs	Limited based on annual state budget and federal budget appropriation, with statutory intention to fully fund	State: Non-98 General Fund Federal: CCDF
Emergency Child Care Bridge Program for Foster Children (Bridge Program)	CDSS contracts with California County Child Welfare Agencies in partnership with their local Resource and Referral (R&R) Programs opting into a share of the funding	Limited based on annual state budget appropriation	State: Non-98 General Fund Federal: Title IV-E
Migrant Alternative Payment Programs (CMAP)	CDSS contracts with APPs to distribute vouchers	Limited based on annual state budget and federal budget appropriation	State: Non-98 General Fund Federal: CCDF

FIGURE 2.2
Contracts

Program	Administration	Availability	Funding Sources
California State Preschool Program (CSPP)	Administered by the CDE through contracts with local educational agencies, colleges, community-based agencies, and private nonprofit agencies	Limited based on annual state budget appropriation	LEAs: Proposition 98 Non-LEAs: Non-98 General Fund
General Child Care and Development Program (CCTR)	Administered by DSS directly to contractors	Limited based on annual state and federal budget appropriation	State: Non-98 General Fund Federal: CCDF, ARPA Discretionary (one-time)
Migrant Child Care and Development Programs (CMIG)	Administered by DSS directly to contractors	Limited based on annual state and federal budget appropriation	State: Non-98 General Fund Federal: Currently none, CCDF used in past
Severely Handicapped Program (CHAN)	Administered by DSS directly to contractors	Limited based on annual state and federal budget appropriation	State: Non-98 General Fund

FIGURE 2.3

Grant-Based Programs

Program	Administration	Availability	Funding Sources
After School Education and Safety (ASES)	LEAs apply to CDE for funding. Some LEAs partner with CBOs to administer program	A portion required by Proposition 49. Remainder limited based on annual state budget appropriation	State: General Fund - Proposition 98
21st Century Community Learning Centers (21st Century)	State-administered federal grant. LEAs and CBOs apply to CDE for funding	Limited based on annual federal budget appropriation	Federal: 21st Century Community Learning Centers
Early Head Start and Head Start	Eligible entities apply directly to the federal Administration for Children and Families (ACF) within the U.S. Department of Health and Human Services (HHS)	Limited based on annual federal budget appropriation	Federal: Head Start Program

FIGURE 2.4

School Finance System

Program	Administration	Availability	Funding Sources
Expanded Learning Opportunities Program (ELOP)	Distributed based on state funding formula	The stated intent of ELOP is to provide opportunities for expanded learning programs for all children grades TK-6. Acknowledging that ELOP may be rolled out school by school, rather than implemented all at once, ELOP requires that districts give priority to schools in the lowest-income communities, based on rates of students eligible for free or reduced price meals.	State: General Fund - Proposition 98
Transitional Kindergarten (TK)	Distributed to LEAs based on state funding formula	Once TK is fully implemented, it will be an entitlement for 4-year-olds in California similar to other grades in public schools	State: General Fund - Proposition 98
Title I Preschool	Distributed based on federal funding formula	Program spaces are impacted by annual federal appropriations and LEA use of funds	Federal: Title I

Figures 2.1 through 2.4: (Source: California Policy Collaborative (2024). Early Care and Learning Finance Administration, Availability, and Sources. Sacramento, California)