



Understanding California's Early Care and Education System

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Anna Maier, and Marjorie Wechsler

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Executive Summary

Early care and education (ECE) can have a positive effect on many aspects of children's development, including the language, literacy, mathematics, executive functioning, and social-emotional competencies needed for a smooth transition into kindergarten and later life success. But for many families, high-quality ECE is out of reach. For a family of three earning \$40,000 a year, child care costs roughly 20% of household income; for a single parent earning the minimum wage, that number is 50%. California has established a range of programs to support the development of children from birth to age 5, but these programs are uncoordinated, insufficient in scope, and of variable quality. This report provides California policymakers with a comprehensive overview of the state's ECE system, describing its administration and funding, access to care, program quality, and data limitations.

Landscape of California's ECE Programs

California offers an array of state- and federally funded ECE programs for children birth to age 5, particularly those living in or near poverty. The system can be difficult for policymakers, providers, and families to understand because of its complexity.

- **California's ECE system encompasses a patchwork of programs with distinct purposes and designs.** These include school readiness programs such as California State Preschool, Head Start and Early Head Start, and transitional kindergarten, as well as those designed to support working parents, such as the voucher-based Alternative Payment programs and General Child Care and Development. Others include home visiting and special education.
- **Many federal, state, and local agencies administer ECE programs, making the system complex and confusing.** Nearly all of California's ECE programs are partially supported by federal and state funds and, thus, are subject to oversight by multiple authorizing agencies. This complexity can create confusion and increase the burden of administrative and reporting requirements for providers and families.

Funding

Mirroring the complex system of programs and their administrators, funding for California's ECE system is likewise complex. Funding levels are not adequate for meeting the needs of children and families.

- **Early childhood programs rely on a complex array of federal, state, and local funding sources.** Most of California's early childhood programs rely on multiple funding sources from both state and federal funding streams. In some regions, local investments play an important role in funding ECE, although the size of these investments is unclear.
- **ECE funding is vulnerable to economic fluctuations, and it has not fully recovered from the recession, despite recent investments.** During the Great Recession, publicly funded ECE programs experienced over \$1 billion in budget cuts. As a result, approximately 25% of child care slots were cut between 2008 and 2013. Reimbursement rates for providers flatlined, failing to keep up with inflation and cost-of-living increases. Over the last 4 years (2013–2017), state spending on ECE has increased, but overall funding remains below pre-recession levels.

- **Per-child reimbursement varies by program, despite serving similar children, with regional rates differing up to 50%.** Each ECE program has a different rate structure for reimbursing providers, including two different methods for paying child care providers. Specifically, some rates reflect the regional cost of living, while others do not. As a result, the state reimburses some programs as much as 50% less than others, even if they meet higher quality standards.

Access to Care

California’s ECE programs are too limited in scope to serve all of the state’s vulnerable young children, presenting a challenge for families who cannot independently afford the high cost of care, which can be as high as college tuition.

- **Publicly funded ECE programs currently do not have sufficient capacity to serve all of California’s children and families.** In 2015–16, only 33% of children under age 5 who qualified for one of California’s publicly funded ECE programs—based on family income and having working parents—were served. Many of these children are enrolled in programs that run for only a few hours each day. The state is making strides toward meeting the needs of 4-year-olds, with roughly 69% of low-income 4-year-olds enrolled in some kind of ECE program. However, nearly 650,000 children birth to age 5 do not have access to the publicly funded ECE programs for which they are eligible.
- **Access to publicly funded ECE programs is extremely limited for infants and toddlers.** Approximately 14% of eligible infants and toddlers are enrolled in subsidized programs—a large portion of whom are in family child care homes or license-exempt (friend, family, or neighbor) care. Subsidized ECE for this age group is mostly limited to working families.
- **Full-day programs are particularly limited in scope.** Many of California’s largest early learning programs offer mostly part-day slots, despite a demand for full-day services, which is challenging for working families. Furthermore, few of California’s ECE programs are available during the nontraditional hours that many low-income working parents need.

Program Quality

California has inconsistent quality standards and improvement efforts, which are important to ensure that children have access to quality programs.

- **California’s ECE programs are subject to differing regulations, creating programs of varying quality.** The standards and quality of California’s ECE programs vary widely in three important aspects: (1) required teacher qualifications, (2) staff-to-child ratios, and (3) curriculum. Many of California’s ECE programs require teachers to have some units in early childhood education or child development, but some do not require any advanced coursework at all. Some, but not all, programs meet or exceed staffing ratios outlined in professional standards. Some school readiness programs must provide a developmentally appropriate curriculum, while other subsidized providers are not legally required to have any curriculum.
- **Program quality is threatened by workforce instability, an outcome of low teacher pay.** Wages for child care and preschool providers have historically been very low, with early educators earning roughly half the hourly wage of kindergarten teachers. Nearly half

of California’s child care workers rely on some form of public income support and earn a median hourly wage of \$11.61, putting them in the seventh percentile of earners in the state. Such low wages, along with job instability and stressful working conditions, affect programs’ ability to recruit and retain well-qualified staff.

- **California has begun to make strides to define and promote quality across programs, but standards are localized and inconsistent.** Each of California’s counties has or is building a quality rating and improvement system (QRIS)—a mechanism for defining and improving quality among ECE providers. Counties have autonomy in determining the types of supports or incentives they offer to providers to help them achieve progressively higher levels of quality. Despite the rapid growth of QRIS in California, participation in these voluntary systems is low and work remains to ensure they effectively support quality improvement among providers.

Data Limitations

Policymakers need data to help inform policy decisions; however, some information is currently unavailable.

- **A lack of consistent data makes it difficult to know just how much California invests in ECE and where these investments go.** Data limitations make it difficult to evaluate the true adequacy of ECE funding in California, in part due to the dispersed nature of the ECE programs and administrators. For example, children in the ECE system do not have a unique identifier and may be accessing multiple programs but are counted separately each time. It is also unclear how many families are actively seeking support—the actual demand—because there is no centralized waiting list for subsidized ECE programs. Further, state agencies may interpret early childhood funding information differently, yielding conflicting numbers.

Takeaways

Each year, California policymakers make decisions about how and how much to invest in young children. State policymakers should consider the following five questions in light of the findings in this report.

1. **How can California move from a patchwork of disconnected programs to a more unified ECE system?** An administrative structure that allows policymakers to see the whole system could enable more informed policy and funding decisions. Whether through a single administrative agency, a formal interagency team, or another structure, a systems perspective would enable California policymakers to create a plan of action that considers the entire ECE landscape, ultimately improving both efficiency and services for children.
2. **How should California increase the availability of high-quality, full-day ECE programs that meet the needs of children and families?** Publicly funded ECE programs currently do not have sufficient funding or infrastructure to serve all eligible children. By increasing investments in programs such as General Child Care and Development and Early Head Start, the state could bring additional services to infants and toddlers. To meet working families’ need for full-day programs, the state could increase investments in full-day ECE such as full-day Head Start and full-day state preschool, or support the blending and braiding of funding sources.

3. **How can California more sustainably fund ECE programs?** Creating a stable and sufficient source of revenue could help California consistently serve all children who qualify for subsidized ECE, and ensure that programs are financially stable and teachers are paid a fair wage. Whether by adding preschool funding to the Local Control Funding Formula, finding new or alternative funding sources to supplement declining tobacco tax revenues, or by other means, California needs to develop a reliable funding strategy for ECE.
4. **How can California continue to improve quality and supports for all ECE programs?** Research shows that high-quality instruction is vital for student success in ECE programs, yet California's ECE programs vary in their quality standards. Improving the county-led QRISs statewide could lead to higher-quality ECE programs. Whether through incentives for ECE programs to participate in QRIS or mechanisms to assist providers in reaching quality standards, focusing on quality improvement is a promising means for addressing quality.
5. **How can California improve its data systems to inform strategic decision making?** Improving ECE data systems would enable California to have a more complete picture of who has access to ECE programs and for how long they are enrolled. The state needs to determine where best to house the information and how to make it available. Such efforts would enable policymakers to better understand their current investment and make well-informed financial and programmatic decisions.

This report provides some of the background information policymakers need to begin answering these questions so that they can create a system that will better serve California's children.

I. Introduction

California is home to over 3 million children birth through age 5, more than any other state in the U.S.¹ These young children are at a critical phase of development: Decades of research have established that the first years of a child's life provide a foundation for long-term health and well-being, with the brain reaching 80% of its adult size by age 3.² The importance of this early childhood period underscores the need for additional attention to services and supports for young children and their families.

Early care and education (ECE) can have a positive effect on many aspects of children's development, including the language, literacy, mathematics, executive functioning, and social-emotional competencies needed for a smooth transition into kindergarten. These benefits are especially pronounced for children experiencing poverty or those who are dual language learners. High-quality ECE programs can give children a strong start on the path that leads to college or a career, fostering meaningful advantages in school readiness as well as long-term benefits such as lower rates of special education placement, reduced retention, and higher graduation rates.³

Ensuring that programs meet quality standards is essential for realizing these promising outcomes. Research shows that engaging and supportive educator-child interactions and an effectively implemented curriculum are two crucial dimensions of ECE quality.⁴ Smaller class sizes, informed use of child assessments, and ongoing support for teachers can help facilitate such rich in-class ECE experiences.⁵

California offers an array of programs related to early care and education, health services, and family support that are designed to promote the well-being of young children and their families, particularly those living in or near poverty. This report focuses on statewide ECE programs serving children birth to age 5. It seeks to provide policymakers with a comprehensive overview of the state's early learning system, which is complex and fragmented, often making it difficult for policymakers, providers, and families to understand.

We consider the full range of publicly funded programs that serve children and families statewide. In addition to state preschool and child care programs, we include transitional kindergarten (which is sometimes viewed as a k-12 program), Head Start (which is federally funded and administered, and therefore sometimes excluded from state analyses), and home visiting (which does not provide out-of-home care, but offers parents and their young children valuable support). These programs primarily focus on the state's most vulnerable children, including those who are low-income or have special needs. Local ECE initiatives, which represent meaningful investments in some areas of the state, remain largely outside the scope of this report.⁶

The following pages describe the system's component programs and examine several of the system's essential features: funding, access to care, and quality standards. Section II describes the landscape of ECE in California, characterizing it as a patchwork of programs with distinct purposes and designs, and administered by a complex system of federal, state, and local agencies. Section III focuses on funding, showing the myriad funding sources supporting ECE and how funding is inadequate and inconsistent across programs and vulnerable to economic fluctuations. Section IV analyzes access to care and demonstrates that publicly funded ECE programs currently do not have sufficient capacity to serve all of California's children and families. Section V describes how the state's quality standards and supports create programs of varying quality and how quality is threatened by workforce instability. Section VI explains how a lack of consistent data makes it difficult to know just how much California invests in ECE and whether the children most in need are receiving subsidized care. We conclude with section VII, which sets forth important questions that California's policymakers will need to address to improve access to high-quality ECE throughout the state.

II. California's Landscape of Early Care and Education

Of California's 3 million children under age 5, 1.3 million children—nearly half—live in or near poverty.⁷ Publicly funded ECE programs offer an important support for these young children and for their families who work or are in school, particularly those who could not otherwise afford quality ECE. In this section, we introduce the state's ECE programs before turning to the administrators who manage them.

California's ECE Programs

California's ECE system encompasses a patchwork of programs with distinct purposes and designs.

California's ECE system has been constructed incrementally over more than half a century, as programs have been created, expanded, or eliminated.⁸ The result, shown in Figure 1, is a complex hodgepodge of programs that serve children before they reach school entry. Collectively, these programs enroll over half a million children each year.

California's ECE system is a complex hodgepodge of programs that enrolls over half a million children each year.

While Figure 1 provides an estimate of the number of children served by each program at a given time, the number of children served by each program varies throughout the year as children enroll or leave programs.⁹ In addition, the total number of children served through the publicly funded ECE programs may be somewhat lower because children receiving services through multiple programs may be counted more than once in enrollment data. Due to data limitations, it is impossible to generate an unduplicated count of children participating in publicly funded ECE in California.¹⁰ Despite these limitations, the data illustrate that California's publicly funded programs serve many thousands of young children and families throughout the year.

General school readiness programs make up one portion of California's ECE system. While these programs may have other benefits for children and families, they primarily focus on child development.

- The **California State Preschool Program (state preschool)** provides center-based preschool for children in low-income families.
- **Transitional kindergarten** is a school-based preschool program for children just below the age cutoff for enrollment in kindergarten, regardless of family income.¹¹
- **Head Start and Early Head Start** are preschool and child development programs serving children in low-income families, and includes Migrant and American Indian/Alaska Native Head Start. In addition to education, these comprehensive programs offer care, extensive family engagement, and wraparound services.
- **District-based preschool** programs are preschool programs voluntarily offered by school districts, typically supported by federal Title I or local school funding.¹²

These programs serve preschool-age children, with the exception of Early Head Start, which enrolls infants, toddlers, and pregnant women. All but transitional kindergarten target children impacted by economic disadvantage; Head Start serves children from families with incomes below the federal poverty line (\$24,300 for a family of four),¹³ while state preschool serves those with incomes below 70% of the 2005 California State Median Income (\$46,896 for a family of four).¹⁴

Program providers generally operate in licensed centers or public schools, and are held to program standards above and beyond licensing requirements.

California runs two clusters of ECE programs designed to support working parents that also play a role in early childhood development.

Other programs seek to enhance child outcomes through parent coaching and education.

- The **California Home Visiting Program** offers positive parenting support for parents of children age 5 or under, typically serving parents of children under age 3.¹⁵
- **County-led home visiting programs** support at-risk families in their homes.

These programs serve eligible at-risk families or families in at-risk communities identified by the state or county. Trained professionals or paraprofessionals deliver services in a child's home, and often provide referrals and connections to other community services.¹⁶

California also runs two clusters of ECE programs designed to support working parents that also play a role in early childhood development. For the purposes of this report, we generally refer to them in two overarching categories.

- **Alternative Payment programs** provide voucher-based child care subsidies. Many of these vouchers, though not all, are provided through California's state welfare program, CalWORKs (California Work Opportunity and Responsibility to Kids). There is also a special Alternative Payment program serving migrant children.
- **General Child Care and Development programs** offer subsidized slots in ECE programs in which licensed providers with state contracts provide services. As with Alternative Payment programs, some slots are dedicated to migrant children.

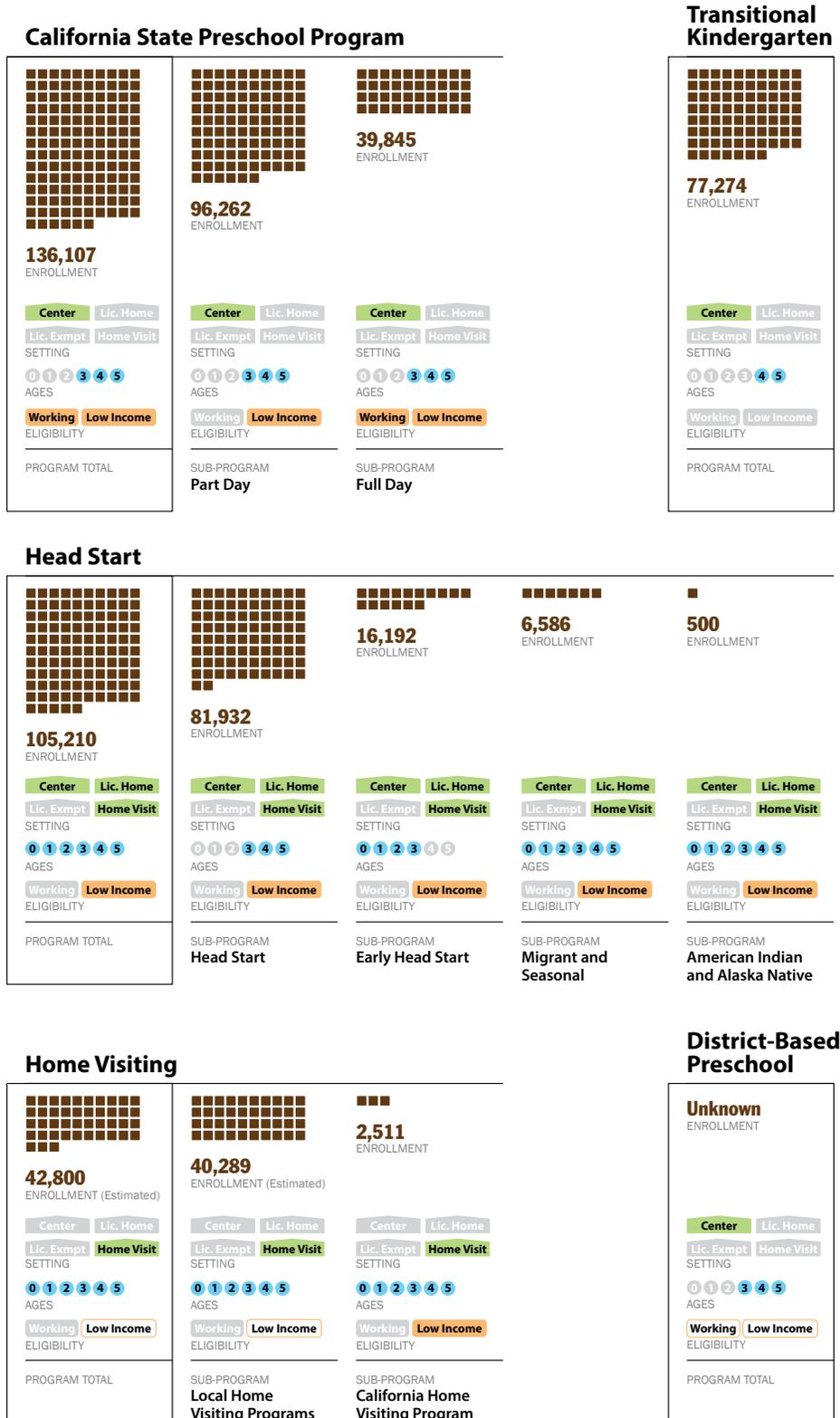
These two programs target families making less than 70% of the State Median Income and require parents to be in school or working to access services. They serve children across a broad age range, from birth to age 13.¹⁷ Providers of these services may operate in centers or homes and may or may not be held to licensing and quality standards, depending on the provider setting—a dynamic discussed further in the Program Quality section of this report.

Finally, there are two statewide ECE programs that provide special education services.

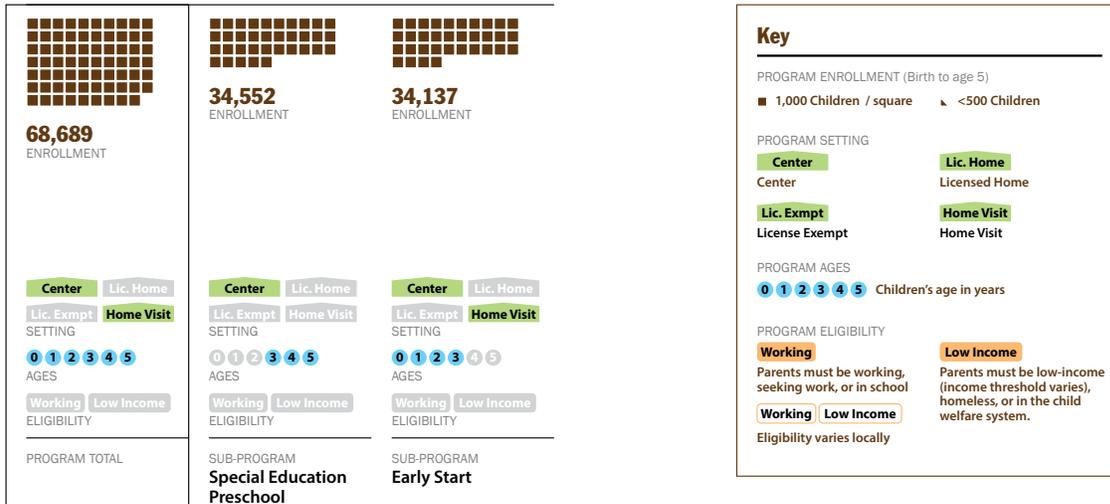
- **Early Start** offers a variety of early intervention services for infants and toddlers diagnosed with, or at risk of, developmental delay.
- **Special Education Preschool** provides educational and support services for children ages 3 to 5.

Figure 1

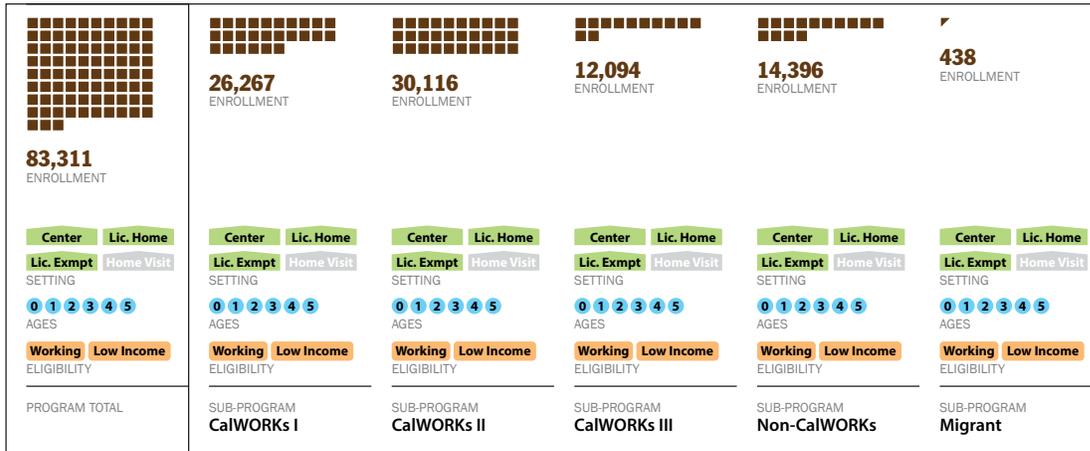
California's Early Care and Education Programs



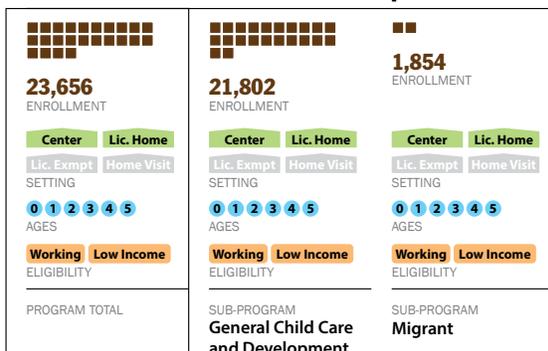
Special Education



Alternative Payment Programs



General Child Care and Development



Note: This graphic shows the state- and federally funded ECE programs for children birth to age 5 that are part of California's complex early learning system, many of which are composed of several subprograms. Programs vary in the ages they serve, the settings in which they operate, and their eligibility requirements.

Enrollment data are for 2015–16, except for Early Start, Special Education Preschool, Transitional Kindergarten, and Home Visiting, which are for 2014–15. Transitional Kindergarten enrollment likely expanded in 2015-16. Home Visiting enrollment is an estimate from an analysis conducted by Next Generation. Children enrolled in multiple programs may be counted more than once.

Sources: LPI analysis of child care data reports, 2016 and Transitional Kindergarten program participation from Dataquest, 2014–15, California Department of Education; CW 115 child care monthly report, 2016, California Department of Social Services; Program Information Reports, 2016, Administration for Children and Families; IDEA Part C Child Count and Educational Environments, 2014, U.S. Department of Education; Pham, H.V. & Crow, S. (2015). Voluntary home visiting data book: Assessing need and access in California. San Francisco, CA: Next Generation; Special Education Preschool data from Barnett, W. et. al. (2016). The state of preschool 2015. New Brunswick, NJ: National Institute for Early Education.

These programs are available to children and families regardless of family income and may include a variety of health, educational, and behavioral services, depending on the needs of the child. Providers operate in a range of settings, determined on a case-by-case basis. See Appendix B for a more in-depth description of each of the programs described here.

ECE Program Administration

Many federal, state, and local agencies administer ECE programs, making the system complex and confusing.

The picture of California's ECE system grows more elaborate when taking into account the administration of these programs at the federal, state, and local levels. Figure 2 depicts the relationships between the major ECE programs and the agencies that are involved in administering them (e.g., providing and/or monitoring funding, setting and/or monitoring quality standards and licensing). Most programs are accountable to multiple agencies at the county, state, and sometimes federal levels, which can create confusion and increase the burden of administrative and reporting requirements.

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Federal Oversight

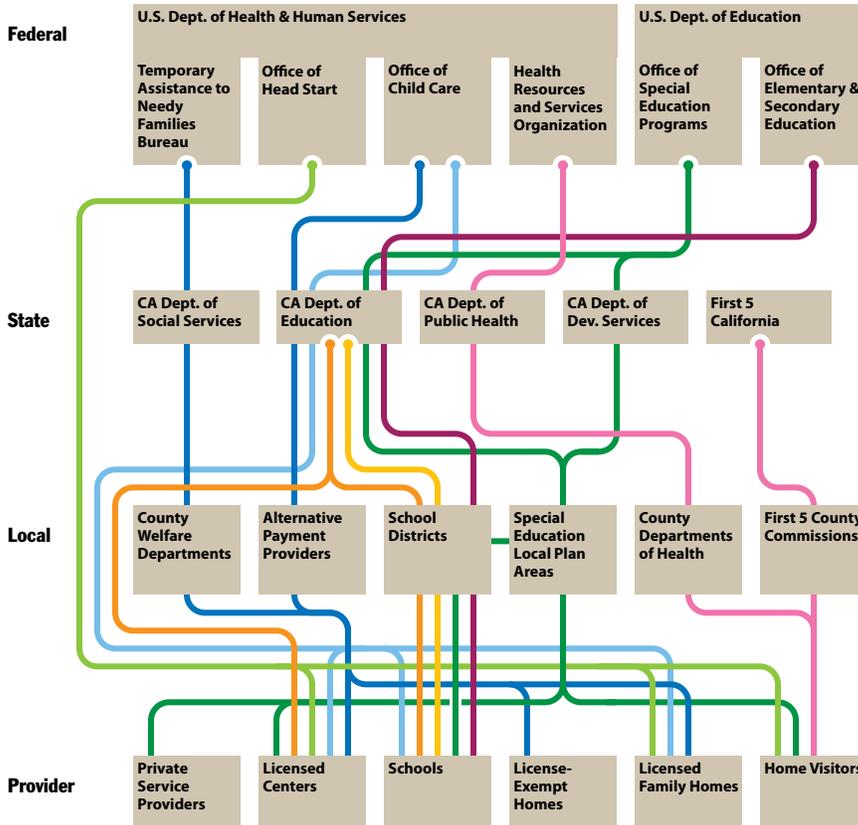
Nearly all of California's ECE programs are partially supported by federal funds and, thus, are subject to oversight by a federal agency, typically the U.S. Department of Education or the U.S. Department of Health and Human Services. However, the level of federal oversight varies considerably based on the specific funding source. For example, Head Start grantees are subject to extensive fiscal controls and program standards determined by the federal government, while states largely drive the design of ECE programs funded by Temporary Assistance for Needy Families (TANF).¹⁸ Like Head Start, special education programs are governed by a more extensive set of federal program regulations than the other programs discussed here.

State Administration

With few exceptions, ECE programs also have a state-level administrator.¹⁹ A state administrator may fund, regulate, and provide technical assistance for program implementation. In most cases, this role is filled by the California Department of Education. However, the California Department of Social Services, the California Department of Public Health, and the California Department of Developmental Services are each involved in the administration of at least one ECE program. In a few cases, similar programs are administered by different agencies. For example, CalWORKs Alternative Payment vouchers are split into three program stages targeting slightly different recipients: Stage 1 of the program is run by the Department of Social Services, while Stages 2 and 3 are run by the Department of Education. California's State Advisory Council on Early Learning and Care convenes many of these state-level administrators, in addition to other early childhood stakeholders, to discuss system-level and cross-agency issues.²⁰

Figure 2

Many Agencies Control California's ECE Programs



Programs



Note: This graphic shows the multiple agencies that administer state- and federally funded ECE programs in California. Administrative oversight includes setting regulations, allocating resources, managing contracts, and overseeing program quality, among other responsibilities. Administrators may, but do not always, provide funding. ECE programs (the colored lines shown in the key) may be offered by various kinds of local providers, some of whom offer multiple programs at a given time. Several other organizations, particularly First 5, resource and referral agencies, and QRIS consortia, also provide considerable support to providers and programs, although their role varies by county.

Source: California Department of Education. (2017). Child Development. <http://www.cde.ca.gov/sp/cd/>.

Local Administration

Every ECE program described in this report also has a local administrator charged with overseeing program implementation at the district or county level. This local role can be quite substantial, and may include planning, funding, and implementing ECE programs. Depending on the program and county, the local administrator may be a school system, county agency, or service provider. Special education programs have regional consortia, known as Special Education Local Plan Areas (SELPA), that collaborate with districts and county agencies to manage service provision.²¹

Each of California's 58 counties also has a First 5 county commission that may administer some ECE programs. First 5s are composed of representatives from the board of supervisors; county health, welfare, or education agencies; and other early childhood stakeholder groups, such as early childhood educators, resource and referral agencies, and community-based organizations. The First 5 county commissions, created under Proposition 10 in 1998 to support early childhood development and smoking cessation, are funded with tobacco tax money. In recent years, First 5 county commissions have administered local home visiting programs and participated in the creation and implementation of quality improvement efforts for ECE providers.²²

System Supports

Several other local organizations contribute to the overall functioning of California's ECE programs. Each county in California has at least one resource and referral agency (R&R), a local organization funded by the state to provide guidance to families seeking child care, regardless of income. These agencies also typically fulfill other system needs, such as collecting data on the supply of child care in their service areas and implementing professional development for early childhood educators.²³ The state also provides funding for local planning councils consisting of stakeholders such as parents, ECE providers, and businesses and government representatives, who assess local child care needs and create comprehensive child care plans in each county. See Appendix C for a more in-depth description of these system supports.²⁴

Program Providers

Within this maze of administrators sit California's ECE providers, including for-profit and nonprofit child care centers, public schools, community-based organizations, and programs run out of individuals' homes. Programs also can span several categories; for example, a private preschool provider might operate in a public school building, while a Head Start center may conduct home visits in individual family homes.

A provider may be accountable to one or more agencies at the local, state, and federal levels, depending on its funding sources, generating a complicated administrative landscape. For example, providers who braid funding streams may need to maintain different staff-to-child ratios at different times throughout the day, and complete separate accounting sheets and budgets for each contract.²⁵ These administrative requirements can be onerous for providers, who manage enrollment paperwork for multiple agencies and must adhere to multiple sets of quality standards.²⁶

Programs that target similar populations and seek to accomplish similar goals are managed by different administrators, funded by numerous sources, and governed by distinct regulations. Though many children and families receive valuable services through California's ECE programs, the current system can best be described as a patchwork of uncoordinated programs, with no central operating framework.

III. Funding

Mirroring the complex system of programs and administrators, funding for California’s ECE system is likewise complex. Programs rely on nearly a dozen state and federal funding sources, along with local investments, to operate. In addition, programs that serve children with similar demographics and age have considerably different reimbursement rates.

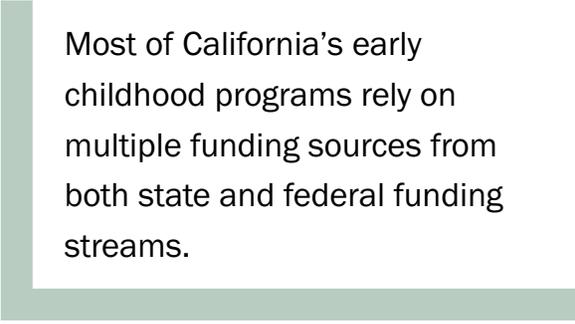
Funding Sources

Early childhood programs rely on a complex array of federal, state, and local funding sources.

Most of California’s early childhood programs rely on multiple funding sources from both state and federal funding streams (see Figure 3). Federal funds primarily flow from federal welfare, child care, Head Start, and home visiting grants administered by the U.S. Department of Health and Human Services. Special education for young children is funded by the U.S. Department of Education.

State investments primarily come from the state general fund and Proposition 98 education funds, which are allocated through a mandatory spending formula. Proposition 98 funds the k-12 system and community colleges, as well as preschool programs for 3- and 4-year-olds. The California general fund contributes mainly to child care programs for working parents (including additional hours and days of wraparound care to turn part-day preschool slots into full-day preschool slots), as well as system supports such as local resource and referral agencies. First 5 California also funds several initiatives to support ECE with Proposition 10 tobacco tax revenue, including a five-year, \$190 million investment in First 5 Improve and Maximize Programs so All Children Thrive (IMPACT), which supports county-led quality rating and improvement activities.²⁷

Programs serving 3- and 4-year-old children, including Head Start, state preschool, and transitional kindergarten, receive a substantial portion of ECE funding (see Table 1). Alternative Payment vouchers, particularly CalWORKs, also account for a large portion of funding. However, some of this funding goes toward school-age child care.²⁸



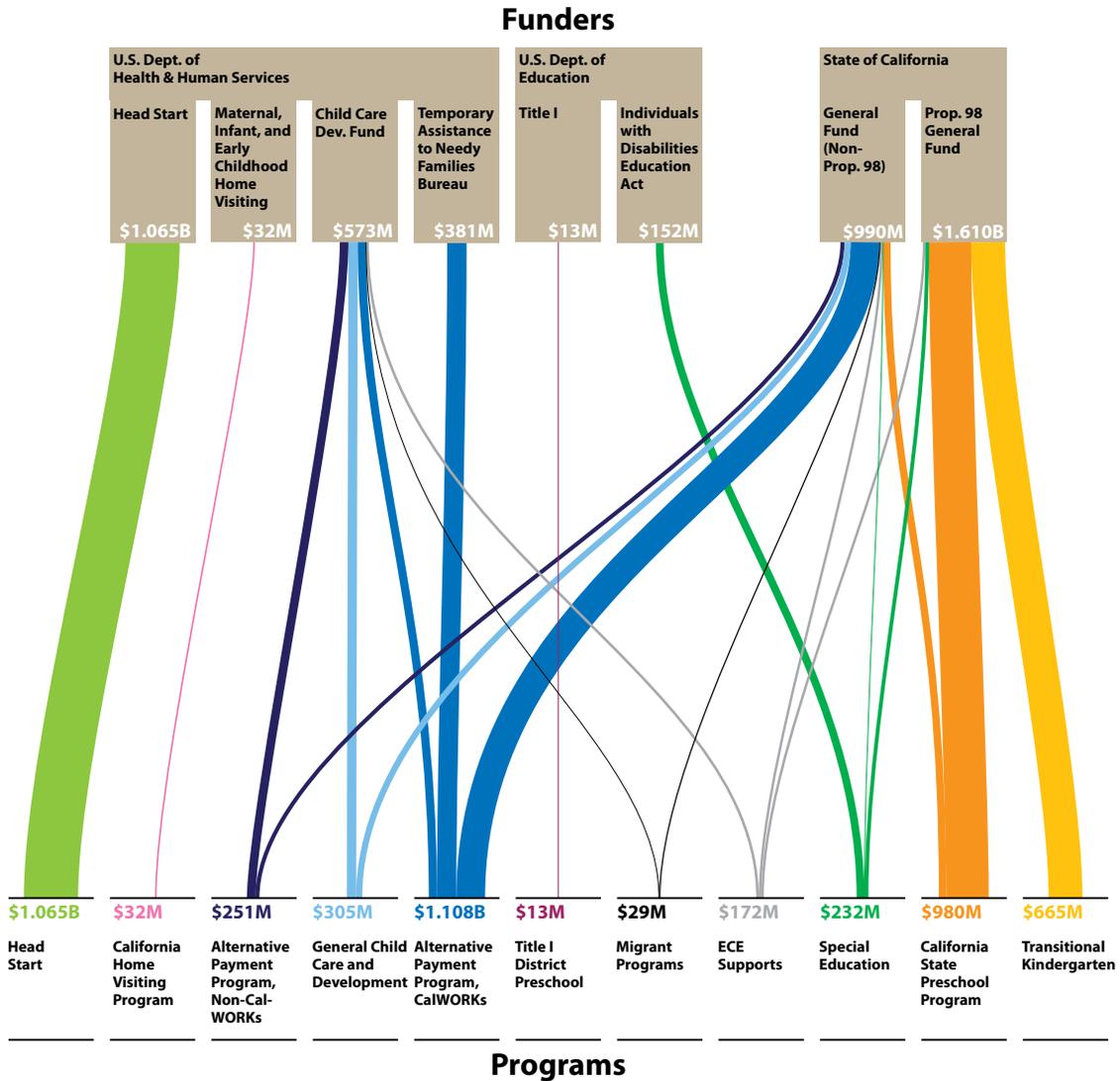
Most of California’s early childhood programs rely on multiple funding sources from both state and federal funding streams.

In some regions, local investments play an important role in funding ECE, although the size of these investments is unclear. First 5 California passes through the bulk of Proposition 10 tobacco tax revenue to First 5 county commissions—\$560 million in 2016. The county commissions invest in an array of services, including support for quality rating and improvement activities, home visiting, and collaborative efforts to improve state and county data systems.²⁹

Some cities and counties also invest in local ECE programs. For example, San Francisco’s Preschool for All initiative supplements state preschool funding with \$27 million from local property taxes.³⁰ Some school districts, such as Oakland Unified and Fresno Unified, also draw upon philanthropic funding to offer preschool.³¹ Districts may also use federal Title I funding for preschool.³²

Figure 3

California’s ECE Programs Receive Both State and Federal Funding



Note: This graphic shows the multiple state and federal sources that fund ECE programs in California. County First 5 investments, including \$559 million from the state tobacco tax, are not included since these investments are locally determined. Transitional kindergarten funding is an estimate based on Local Control Funding Formula allocations, and does not reflect federal or local support, which may be substantial. Local preschool initiatives may receive funding from sources other than Title I, but these data are not collected statewide. ECE supports include quality rating and improvement systems, resource and referral agencies, local planning councils, and other quality enhancements. Funding for ECE supports includes \$21 million in Prop. 10 tobacco tax revenue administered through First 5 California quality improvement grants.

Source: See Table 1.

Table 1
ECE Programs Receive Funding From Many Sources

Program	Total Funding (2015–16)	Funding Stream	Funding Amount
Alternative Payment Program, CalWORKs (Ages 0–12)	\$1.108 billion ³³	State: California General Fund (Non-Proposition 98)	\$565 million
		Federal: Temporary Assistance for Needy Families (TANF)	\$381 million
		Federal: Child Care and Development Fund (CCDF)	\$162 million
Head Start	\$1.065 billion ³⁴	Federal: Head Start Grants	\$998 million
		Federal: Early Head Start–Child Care Partnerships	\$67 million
California State Preschool Program	\$980 million ³⁵	State: California Proposition 98 General Fund	\$835 million
		State: California General Fund (Non-Proposition 98)	\$145 million
Transitional Kindergarten	\$665 million ³⁶	State: California Proposition 98 General Fund	\$665 million
General Child Care and Development (Ages 0–12)	\$305 million	Federal: Child Care and Development Fund (CCDF)	\$184 million
		State: California General Fund (Non-Proposition 98)	\$121 million
Alternative Payment Program, Non-CalWORKs (Ages 0–12)	\$251 million	Federal: Child Care and Development Fund (CCDF)	\$170 million
		State: California General Fund (Non-Proposition 98)	\$81 million
Special Education, Infant, Toddler, and Preschool Programs	\$232 million ³⁷	Federal: Individuals with Disabilities Education Act (IDEA), Part B	\$97 million
		State: California Proposition 98 General Fund	\$75 million
		Federal: Individuals with Disabilities Education Act (IDEA), Part C	\$55 million
		State: California General Fund (Non-Proposition 98)	\$5 million
ECE Supports³⁸	\$172 million	Federal: Child Care and Development Fund (CCDF)	\$52 million
		State: California Proposition 98 General Fund	\$50 million
		State: California General Fund (Non-Proposition 98)	\$49 million
		State: Proposition 10	\$21 million
California Home Visiting Program	\$32 million	Federal: Maternal, Infant, and Early Childhood Home Visiting (MIECHV)	\$32 million
Migrant Programs³⁹ (Ages 0–12)	\$29 million	State: California General Fund (Non-Proposition 98)	\$24 million
		Federal: Child Care and Development Fund (CCDF)	\$5 million
Title I District Preschool	\$13 million in reported funds ⁴⁰	Federal: Title I, Part A	\$13 million
Local First 5 Initiatives⁴¹	\$559 million	State: Proposition 10	\$559 million

Sources: Department of Education child development program reports and California child care programs local assistance—All funds reports, 2016–2017, California Department of Finance; Budget estimate methodologies for local assistance: May 2016 revision and Budget detail tables, 2016, California Department of Social Services; Justification of estimates for appropriations committees and Early Head Start–Child Care Partnership and Early Head Start Expansion Awards reports, 2014–2017, Administration for Children and Families; January 2017 EdBudget tables, California Legislative Analyst’s Office; State tables by state, 2015–2017, U.S. Department of Education; Funding results data reports, 2015–2016, California Department of Education; 2015–16 Final budget summary, 2015–16, California Department of Finance; Local assistance appropriation table, 2015–2016, California Department of Social Services; Maintenance of Effort—Based on 2015 May Revision: Early Start and Early Periodic Screening Diagnosis and Treatment (EPSDT) with Early Start Restoration of Eligibility Criteria, 2015, California Department of Developmental Services; Signature program totals, 2015–16, First 5 California; MIECHV formula grant program and competitive grant program reports, 2016, U.S. Health Resources and Services Administration, Maternal and Child Health; Unpublished CAR Reports data from California Department of Education, Title I Program and Policy Guidance Office; First 5 Association of California. (2016). Investing in California’s children. Alameda, CA: First 5 Association of California.

Special education services for children birth to age 5 may also receive substantial investment at the local level, because the federal Individuals with Disabilities Education Act (IDEA) guarantees access to services for children with disabilities starting at birth, and federal funding may not cover the full cost of these services.⁴²

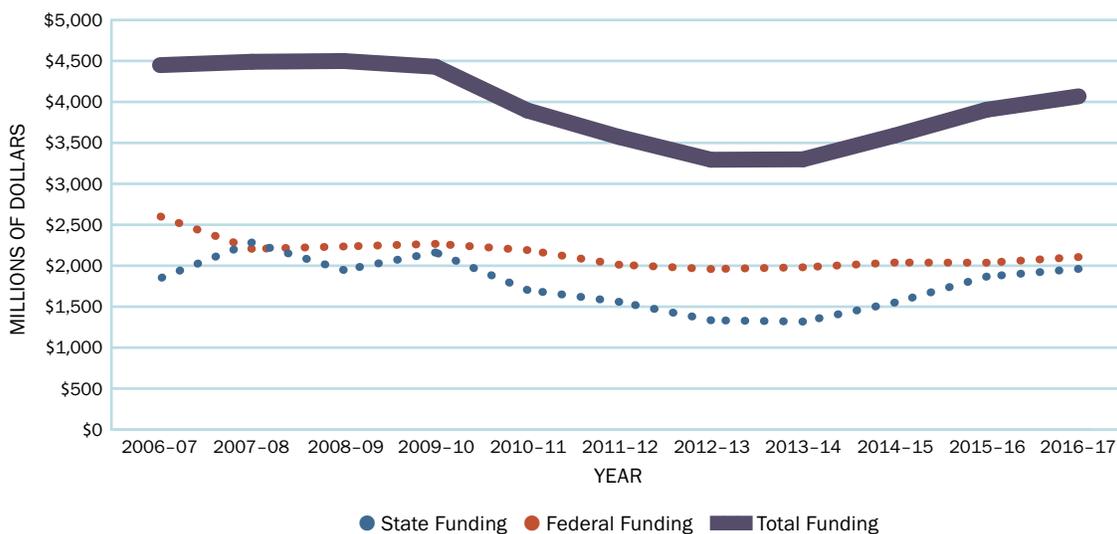
Overall Funding Levels

Overall, ECE funding is vulnerable to economic fluctuations, and it has not fully recovered from the recession despite recent investments.

From 2006 to 2013, publicly funded ECE programs experienced over \$1 billion in budget cuts, with particularly steep reductions in state funding (see Figure 4). As a result, approximately 110,000 child care slots, or about 25% of the total, were cut between 2008–09 and 2012–13. Reimbursement rates flatlined, failing to keep up with inflation and cost-of-living increases.⁴³ Some evidence suggests that many ECE providers receiving state contracts shut their doors during this time because they could not make ends meet.⁴⁴

Figure 4
State and Federal Funding for Early Care and Education Has Declined Over Time and is Now Starting to Recover⁴⁵

2016 dollars



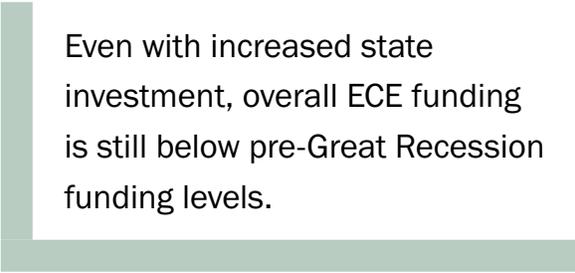
Source: *California child care programs local assistance: All funds reports*, 2006–17, California Department of Finance; *Head Start program fact sheet reports*, Fiscal Years 2007–2015 and *Justification of estimates for appropriations committees reports*, 2015–16, Administration for Children and Families, U.S. Department of Health & Human Services; *Early Head Start-Child Care Partnership and Early Head Start Expansion awards, projected annual funding*, 2015–17, Administration for Children and Families, U.S. Department of Health & Human Services.

These budget cuts illustrate the vulnerability of ECE funding in times of recession. State preschool and transitional kindergarten rely on Proposition 98 funding, which provides a guaranteed minimum level of funding for education. However, this funding stream is highly impacted by economic downturns because it is based on statewide personal income.⁴⁶ For example, between 2008 and 2012, California state preschool funding dropped by \$86 million, a 19% reduction after adjusting for inflation.⁴⁷ Proposition 98, while volatile, does offer the benefit of being protected by law from legislative cuts. However, state legislators could decide to remove state preschool from the Proposition 98 formula in the future, just as they did for child care funding in 2011.⁴⁸

Reliance on the state general fund makes ECE funding vulnerable to reductions under the political budgeting process each year. After moving the General Child Care and Development program out of Proposition 98, general fund support for the program dropped by roughly half between 2011 and 2016. Federal support for subsidized child care centers also decreased by approximately one-third during this 5-year period. Looking at the total funding for ECE programs after the Great Recession, state funding decreased by 46%, adjusting for inflation, from 2008 to 2013, while federal funding dropped by 18%.⁴⁹

Over the last 4 years (2013–2017), state spending on ECE has approached pre-recession levels, adjusting for inflation. In 2014, the legislature committed more than \$450 million for over 16,300 new ECE slots, reimbursement rate increases, and quality improvement.⁵⁰ In 2016, the legislature invested \$137 million to raise reimbursement rates and to create 8,877 new full-day preschool slots to be added over 4 years.⁵¹

Even with increased state investment, however, overall ECE funding is still below pre-Great Recession funding levels. What is more, tobacco tax revenues are decreasing, which has caused First 5's dedicated funding stream revenues to drop by 50% from 2000 to 2015.⁵² In response, First 5 commissions have increasingly shifted their investment strategy to support the quality of early childhood programs, rather than paying for direct services.⁵³ The lowered level of ECE funding is particularly concerning given the high rate of unmet need for services and the inadequate reimbursement rates available to providers.



Even with increased state investment, overall ECE funding is still below pre-Great Recession funding levels.

Funding Utilization

ECE funds are not always fully utilized.

Despite inadequate overall funding levels, ECE programs have not always expended all of the funding allocated by the legislature. The California Legislative Analyst's Office (LAO) estimates that \$101 million, or 12%, of state preschool funds were "unearned" (i.e., unused) in 2014–15, a significant increase from prior years.⁵⁴ In 2016, the first of a 4-year expansion of state preschool, school districts utilized only 1,646 of the 5,830 slots allocated to them.⁵⁵ The LAO suggests several potential reasons for the lack of uptake, including insufficient planning time for providers to fill the slots and the expansion of transitional kindergarten and Head Start, which also serve 4-year-olds. The LAO also notes that districts have significant financial incentives to expand transitional kindergarten instead of state preschool, given the former's higher reimbursement rates.⁵⁶

The reversion of unspent ECE funds to the state has been a persistent problem. A 2007 report from the California Department of Education found that providers sometimes “under earn” their contractual obligations by serving fewer children than expected, in part due to a lack of facilities, as state reimbursement rates were insufficient to cover these costs⁵⁷ and space is not always available in public school buildings.⁵⁸

Reimbursement Rates

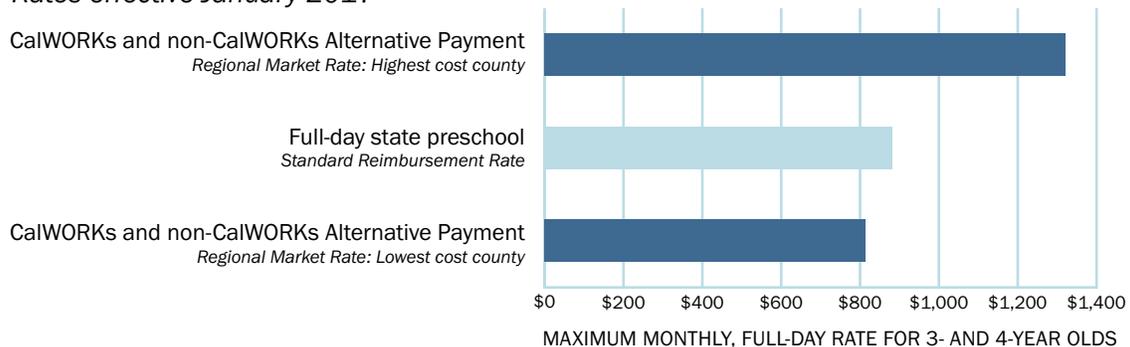
Per-child reimbursement varies by program, despite serving similar children, with regional rates differing up to 50%.

Each ECE program has a different rate structure for reimbursing providers, including two very different methods for paying child care providers. The reimbursement rate for children in Alternative Payment programs, which includes children whose parents have participated in CalWORKs, is determined by the Regional Market Rate and reflects the cost of living in various regions. The state commissions a survey of private providers every two years, which determines the market rate.⁵⁹ In contrast, the Standard Reimbursement Rate is used for children in state preschool and General Child Care and Development programs, which is set by the legislature and is constant across the state, regardless of the local cost of living. These two rates have been in place for decades and are a remnant of the fact that the programs they fund were originally designed for distinct purposes.⁶⁰

The Standard Reimbursement Rate is much lower than the Regional Market Rate in high-cost counties (see Figure 5), despite the fact that providers receiving the Standard Reimbursement Rate must meet higher quality standards, as described in the Program Quality section of this report. In San Francisco, for example, the Standard Reimbursement Rate for preschoolers is 50% lower than the Regional Market Rate. In low-cost counties such as Merced, the Standard Reimbursement Rate is up to 23% higher than the Regional Market Rate, depending on the child’s age.⁶¹

Figure 5
Reimbursement Rates for Similar Children Vary Across the State

Rates effective January 2017



Source: LPI analysis of *Management Bulletin 16-11*, 2016-17, California Department of Education; *CalWORKs Child Care Programs RMR Ceilings*, August 2016, California Department of Social Services.

Adding to the complexity, programs are reimbursed in different ways. Like a scholarship, the Regional Market Rate is given to private ECE providers in the form of a voucher that follows the child. Conversely, the Standard Reimbursement Rate is allocated through annual contracts with the California Department of Education, which in turn contracts with providers that primarily serve subsidized children.

Adding to the complexity (of ECE in California), programs are reimbursed in different ways.

Reimbursement rates for children in transitional kindergarten, Special Education, and Head Start are based on still other formulas. The state funds transitional kindergarten students at the same rate as children in grades k-3 under the Local Control Funding Formula, which provides a base grant of \$8,500 per child. Low-income children also receive a 20% supplemental grant. Considering that over half of these programs are part-day, and federal and local revenue typically add another 50% on top of state funding, transitional kindergarten is substantially better funded than state preschool.⁶² Funding for Special Education reimbursements varies by disability, services, and region.⁶³ Head Start reimbursement depends on multiple factors, including region, setting type, number of children served, and enrollment demographics. The National Institute for Early Education Research estimates that California Head Start grantees spend an average of \$9,392 per 3- to 4-year-old and \$13,129 for children birth to age 3.⁶⁴

Reimbursement rates also vary by a child's age, with infants and toddlers receiving substantially larger reimbursements than preschoolers.⁶⁵ For example, under the Standard Reimbursement Rate, toddlers and infants receive around 40% and 70% more than preschool-age children, respectively.⁶⁶ The difference in reimbursement is due to the fact that younger children require much lower child-to-staff ratios. For example, General Child Care and Development centers require one staff person for every three infants and every four toddlers, whereas preschool programs can have up to eight children per adult.

IV. Access to Care

California’s ECE programs are designed to support children and their families during the critical first years of life. However, these programs are too limited in scope to serve all of the state’s vulnerable young children, presenting a challenge for families who cannot independently afford the high cost of ECE, which is often as high as college tuition.⁶⁷ Access to ECE is also uneven in the state. The availability of ECE programs varies by geography, with some areas of the state serving fewer children than others, and by age group, with fewer infants and toddlers participating than older children.

Nearly 650,000 children in or near poverty, whose parents struggle to afford ECE, do not have access to publicly funded ECE programs, despite being eligible.

Unmet Need

Publicly funded ECE programs currently do not have sufficient capacity to serve all of California’s children and families. Programs for infants and toddlers and full-day programs are particularly limited in scope.

The number of children eligible for publicly funded ECE programs in California exceeds current capacity to serve them. In 2015–16, approximately 963,000 children under age 5 were eligible for one of California’s publicly funded ECE programs based on income and work requirements.⁶⁸ Yet only 33% of these children were served by state or federal programs that year, and many were enrolled in programs that run for only a few hours each day. Nearly 650,000 children in or near poverty, whose parents struggle to afford ECE, do not have access to publicly funded ECE programs, despite being eligible. See Appendix A for sources and methods used to calculate eligibility and enrollment figures presented in this section.

The problem of unmet need is particularly acute when looking at children birth to age 3. Approximately 14% of infants and toddlers are enrolled in publicly subsidized programs—a large

Table 2
A Small Fraction of Eligible Children Receive Subsidized ECE in California

Age	Portion of California’s eligible population enrolled in subsidized ECE
Birth to age 3	14%
3-year-olds	38%
4-year-olds	69%
Birth to age 5	33%

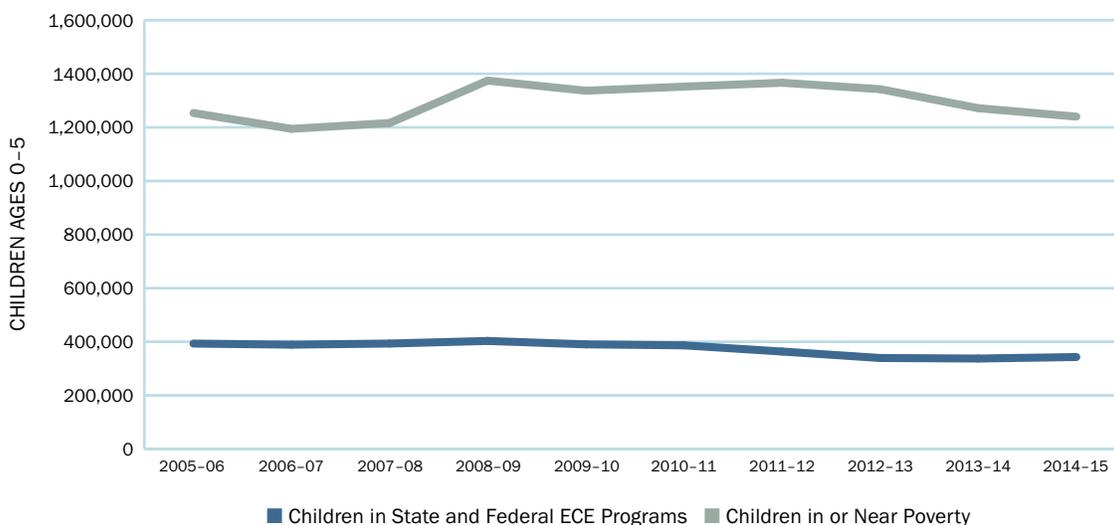
Note: For information about the sources and methodology used to calculate the number of children eligible and portion served, see Appendix A.

portion of whom are in family child care homes or license-exempt care. Over 430,000 eligible families who are in poverty or who work in low-wage jobs do not have access to subsidized ECE programs for their infants and toddlers. This number is closer to 570,000 when taking into account the many children who are income eligible but do not qualify because their parents do not work.

The state is making strides toward meeting the needs of low-income preschool-age children. Approximately 69% of low-income 4-year-olds have access to some kind of ECE program, while just over one-third (38%) of 3-year-olds have access. That more 4-year-olds are served is due, in part, to the expansion of transitional kindergarten.⁶⁹ Not all of these children are in programs that require a developmentally appropriate education, however. About 10% of these 4-year-olds receive services through the Alternative Payment program, which allows parents to choose their provider among a wide array of options, which likely vary widely in quality. An analysis by the American Institutes for Research estimated that in 2014–15, only 31% of 3-year-olds and 66% of 4-year-olds were enrolled in ECE programs held to standards designed to promote child development or school readiness.⁷⁰ As a result, some young children may receive ECE that does not meet their need for language-rich and hands-on guided learning opportunities.

This lack of access has long been a problem, and the gap has only widened during tough economic times (see Figure 6).

Figure 6
The Number of Low-Income Children in California Has Long Exceeded the Number of Children in Subsidized ECE Programs⁷¹



Note: Enrollment is an estimate of children ages 0–5 in one of the following programs in an average month: Head Start, CalWORKs I, and child care and early learning programs administered by the California Department of Education. “Children in or near poverty” represents the number of children ages 0–5 in households that earned less than 200% of the federal poverty level each year.

Source: LPI analysis of *Child care data reports*, 2005–16, California Department of Education; *CW 115 child care monthly report*, 2005–16, California Department of Social Services; *Program Information Reports*, 2005–16, Administration for Children and Families; American Community Survey, 2015.

Without a subsidy, most low-income families cannot afford high-quality ECE.

A lack of subsidized ECE is an important social concern because for many families it is a real economic hardship. For a family of three earning \$40,000 a year, child care costs roughly 20% of their household income; for a single parent earning the minimum wage, that number is 50%.⁷² California restricts access to many ECE programs to families earning below 70% of the 2005 State Median Income, or \$46,896 for a family of four,⁷³ equivalent to less than 60% of the State Median Income in 2014.⁷⁴ Under this policy, modest increases in family income can cause families to lose their subsidy, even though market-rate ECE likely remains out of reach. Some high-cost counties, including San Mateo, San Francisco, and Alameda, participate in a pilot program that allows them to expand eligibility to families earning up to 85% of the State Median Income.⁷⁵

For a family of three earning \$40,000 a year, child care costs roughly 20% of their household income; for a single parent earning the minimum wage, that number is 50%.

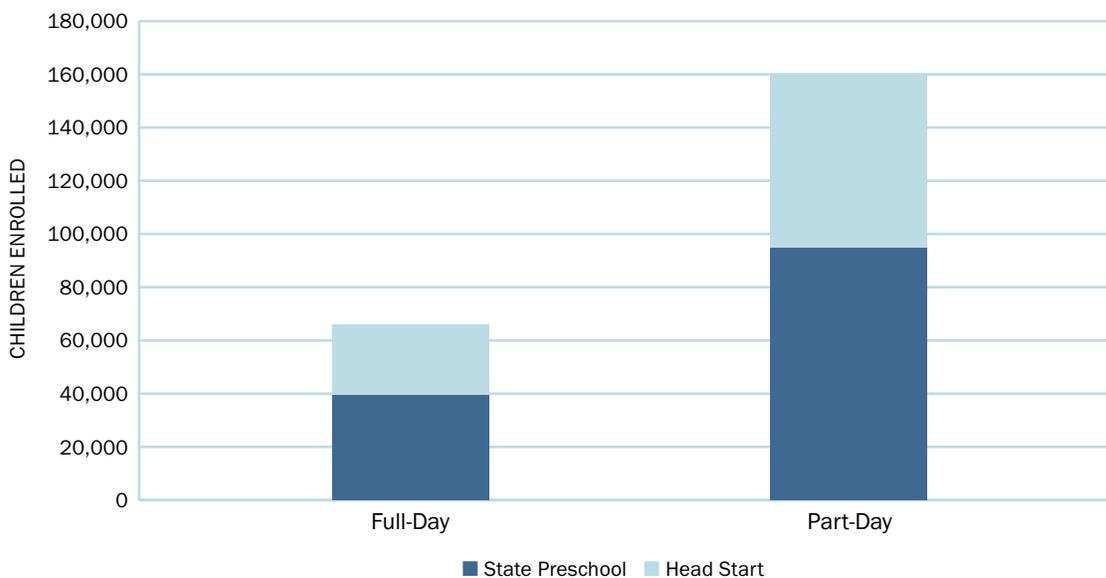
Hundreds of thousands of families experience this economic hardship. The California Budget & Policy Center estimates that only one out of seven children birth to age 12 who are income- and work-eligible for subsidized child care received full-day care through a state program in 2015.⁷⁶ Further, the state offers no support for families with incomes over this threshold, meaning that many low- to middle-income families struggle to afford the cost of ECE.⁷⁷

Full-day programs are particularly limited in scope.

To meet the needs of children and families, ECE must be accessible when parental schedules require it. As Figure 7 illustrates, California's largest ECE programs, Head Start and state preschool, have many more part-day slots than full-day, despite a demand for full-day services that meet the needs of working parents.⁷⁸ Transitional kindergarten, too, is often part-day, depending on whether the school district offers part- or full-day kindergarten. These ECE programs are more likely to offer part-day classes than programs that make parent work a requirement, such as CalWORKs Alternative Payment programs or General Childcare and Development.⁷⁹ Varying quality standards mean that working parents may have to choose between a full-time program and a program that is required to offer an educational component.

National studies have found that almost a quarter of all working parents with children under age 13 work nonstandard hours, as do 32% of working mothers with poverty-level incomes.⁸⁰ Among California's ECE programs, only the Alternative Payment programs offer the possibility of subsidized ECE during nontraditional hours. In addition, locating a provider offering flexible or after-hours and weekend programming can be challenging, whether a family participates in a publicly funded program or not. The California Resource & Referral Network reports that only two-fifths of licensed home providers offer evening, weekend, or overnight care. Among licensed centers, these options are essentially nonexistent, offered by just 2% of providers.⁸¹

Figure 7
State Preschool and Head Start Enroll More Children Part-Day Than Full-Day
 2015



Note: Full-day programs are at least four days per week, six hours per day.

Source: *Number of Children by Contract Type and Length of Care*, October 2015, California Department of Education; *Program Information Report*, 2015, Administration for Children and Families.

Regional Variation in Access

Access to early care and education is uneven across the state.

A 2016 study from the American Institutes for Research shows that the magnitude of the unmet need for ECE programs is uneven across California. While no county currently serves all eligible children, access is especially limited in populous Southern California counties, including Los Angeles, San Bernardino, and

Riverside. In this region, there are estimated to be over 66,000 eligible, but unserved, 3- and 4-year-olds—almost two-thirds of whom reside in Los Angeles County alone.⁸²

While no county currently serves all eligible children, access is especially limited in populous Southern California counties. Unmet need is also a problem in low-population rural areas.

Unmet need is also a problem in low-population rural areas: Sierra, Mariposa, and San Benito counties each serve less than a quarter of their low-income 3- and 4-year-olds in publicly funded preschool.⁸³ Similarly, a 2014 analysis from the LAO found that nearly all counties in California serve a limited portion of low-income children in subsidized ECE. Only four counties serve more than 20% of low-income children in subsidized ECE.⁸⁴ District-led ECE programs may fill some of this gap, but their reach across the state is difficult to quantify due to data limitations.

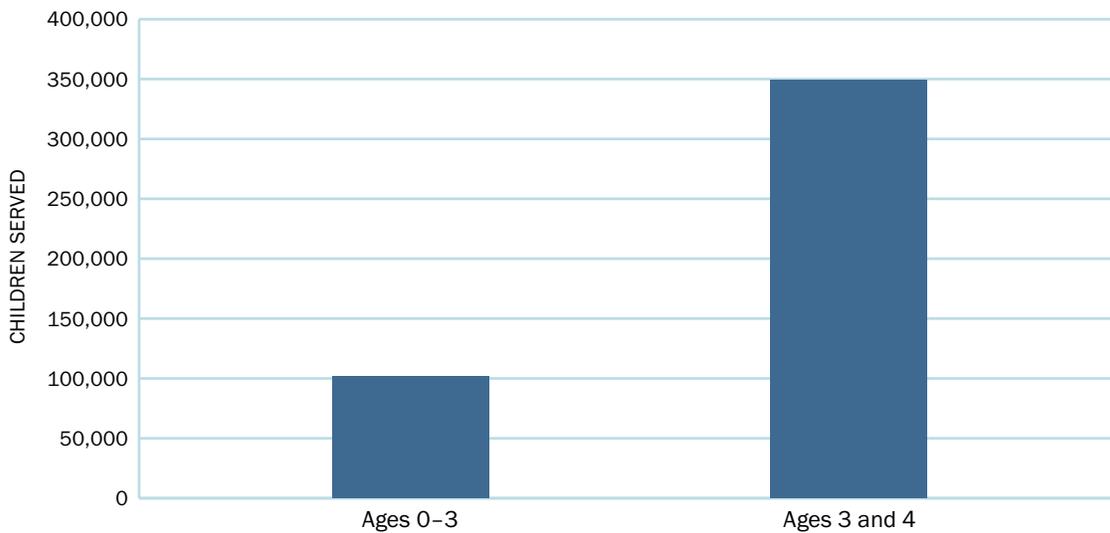
Variability in access to ECE exists within counties as well. An Advancement Project analysis of ECE in Los Angeles County found variation in the availability of seats in licensed child care providers across Los Angeles ZIP codes, both by age group (infant/toddler versus preschool age) and setting type (center versus home). The study also found that high-need areas—those with fewer seats relative to the number of young children—tend to have larger numbers of children living in single-parent, low-income households and a greater proportion of children of color than other areas of the county.⁸⁵

Access for Infants and Toddlers

Access to publicly funded early care and education programs is extremely limited for infants and toddlers.

A considerably smaller number of infants and toddlers enroll in publicly funded ECE programs than preschool-age children in California.⁸⁶ Figure 8 illustrates that publicly funded ECE programs serve over three times as many preschool-age children as infants and toddlers.

Figure 8
California’s Infants and Toddlers Have Less Access to ECE than Preschoolers⁸⁷



Note: Includes 2015–16 enrollment in state preschool, Head Start, General Child Care and Development, CalWORKs II and III, and non-CalWORKs Alternative Payment programs, as well as 2014–15 data for Early Start, Special Education Preschool, transitional kindergarten, and the California Home Visiting Program. Children enrolled in multiple programs may be included more than once.

Source: LPI analysis of *Child care data reports*, 2016, California Department of Education; *IDEA Part C child count and educational environments*, 2014, U.S. Department of Education; *Program information reports*, 2016, Administration for Children and Families; *Transitional Kindergarten (TK) program participation*, 2014–15, from Dataquest, California Department of Education; *California Home Visiting Program: Who we serve*, 2016, California Department of Public Health; Barnett, S. et al. (2016). *The state of preschool 2015*. New Brunswick, NJ: National Institute for Early Education Research.

Some of this disparity may be explained by differences in the demand for ECE among families with children in these age ranges. Most children participating in publicly funded ECE in California are in out-of-home programs. Research about how parents choose among ECE options is limited, but several studies have found that parents of infants and toddlers tend to express a preference for parental or relative care for their children, while parents of preschoolers tend to prefer center-based programs. However, parents weigh other factors in the selection of ECE, including affordability, quality, and convenience, and parental preferences may also be influenced by knowledge or availability of ECE options.⁸⁸

California's Child Care Resource & Referral Network reports that more than one-third of requests for child care in California are for children under the age of 2, indicating a desire for out-of-home care from many families with infants and toddlers.⁸⁹ The high cost of ECE in California further suggests that families with infants and toddlers would benefit from expanded access to high-quality, affordable ECE. However, programs for infants and toddlers are significantly more expensive than programs for preschool-age or school-age children, largely due to higher adult-to-child ratios.

V. Program Quality

As California strives to meet the demand for ECE services, it also must focus on program quality. The standards and quality of California's early learning programs should be at the forefront of efforts to strengthen California's ECE system, yet they vary widely.

The Building Blocks of High Quality ECE Programs

Research and professional standards have identified important elements of high quality ECE programs:

- Early learning standards and curricula that address the whole child, are developmentally appropriate, and are effectively implemented
- Assessments that consider children's academic, social-emotional, and physical progress, and contribute to instructional and program planning
- Well-prepared teachers who provide engaging interactions and classroom environments that support learning
- Ongoing support for teachers, including coaching and mentoring
- Support for English learners and students with special needs
- Meaningful family engagement
- Sufficient learning time
- Small class sizes with low student-teacher ratios
- Program assessments that measure structural quality and classroom interactions
- A well-implemented state quality rating and improvement system

Source: Wechsler, M., Melnick, H., Maier, A., & Bishop, J. (2016). *The building blocks of high quality early education programs*. Palo Alto, CA: Learning Policy Institute.

Program Standards

California's ECE programs are subject to differing regulations, creating programs of varying quality.

California's ECE programs generally fall into three quality categories:

1. Those that meet high quality standards, such as Title 5 or the Head Start Performance Standards.
2. Those that must only meet Title 22 health and safety requirements.
3. Those that are license-exempt.

Title 5 of the California Code of Regulations contains educational standards that apply to General Child Care and Development and the state preschool program. In addition to meeting basic health and safety standards, these center-based programs and family child care home networks must meet standards that address teacher and curriculum quality. Lead teachers must hold an associate degree or have at least 24 units of early childhood development coursework in addition to other college coursework. Associate teachers must have at least 12 units of early childhood development coursework or a Child Development Associate (CDA) credential. Further, programs must use a developmentally appropriate curriculum. In addition to meeting educational standards,

providers regulated by Title 5 must develop and implement an annual plan for a self-evaluation process, which includes using an environmental rating scale to evaluate program quality.⁹⁰

Head Start and transitional kindergarten operate under separate licensing standards—the Head Start Program Performance Standards and SB 1381, respectively. The former sets forth the requirements local Head Start providers must meet to support the cognitive, social, emotional, and healthy development of children from birth to age 5.⁹¹ They encompass

requirements to provide education, health, mental health, nutrition, and family and community engagement services, and all preschool teachers must have an associate or bachelor's degree with a specialization in early childhood education. Transitional kindergarten is regulated like a public kindergarten classroom, except that it must have a modified kindergarten curriculum that is both age- and developmentally appropriate. All teachers must have a California teaching credential with at least 24 units of early childhood education coursework.

Title 22 of the California Code of Regulations establishes minimum licensing standards. These are the only standards that apply to centers and family child care homes that may be accessed through the CalWORKs and non-CalWORKs Alternative Payment programs. Providers must meet health and safety standards, but they are not required to incorporate an educational component such as a curriculum. The regulation does set minimum staff-to-child ratios, but it allows for more children per adult than Title 5. Teachers in center-based programs must have completed 12 units of early childhood development coursework, while there is no education requirement for assistant teachers.

Lastly, license-exempt providers serve children in CalWORKs and non-CalWORKs Alternative Payment programs.⁹² Generally, a friend, relative, or neighbor provides this license-exempt care. The state does not set any standards for teacher or curriculum quality for these providers.

Of the many features that influence an ECE program's overall quality, the three areas in which California's publicly funded programs vary substantially are shown in Table 3. As the table illustrates, many of California's ECE programs require teachers to have some units in early childhood education or child development, though teachers who serve children in license-exempt settings or family child care homes may not have completed any early childhood education or child development classes. California's publicly funded ECE programs generally meet or exceed staffing ratios outlined in professional standards,⁹³ though Alternative Payment program providers and transitional kindergarten offer two exceptions to this rule. Finally, school readiness programs such as Head Start and state preschool must provide a developmentally appropriate curriculum, while providers that serve children through Alternative Payment programs may, but are not legally required to, implement a curriculum. Because of these discrepant standards among programs, children's access to high-quality programs varies.

Of the many features that influence an ECE program's overall quality, there are three areas in which California's publicly funded programs vary substantially: teacher qualifications, staff-to-child ratios, and curriculum.

Table 3
California’s ECE Programs Have Different Quality Standards

Minimum program standards for 4-year-olds

		Minimum Teacher Requirements	Staff-to-Child Ratios	Curriculum Standards
Alternate Payment Program	License-Exempt Providers	 No requirement	 No requirement	 No requirement
	Family Child Care Homes	 No requirement	 1:8 ^a	 No requirement
	Centers	 12 ECE units	 1:12	 No requirement
Transitional Kindergarten		 Teaching credential and 24 ECE units	 No requirement ^b	 Developmentally appropriate curriculum
California State Preschool Program		 24 ECE units plus 16 general education units	 1:8	 Developmentally appropriate curriculum
Head Start		 A.A. or B.A. ^c	 1:10	 Developmentally appropriate curriculum

^a May include up to two infants and must include at least two children over the age of 6.

^b While there is no legally required teacher-child ratio, maximum class size is 31 students. Teachers may have classroom aides.

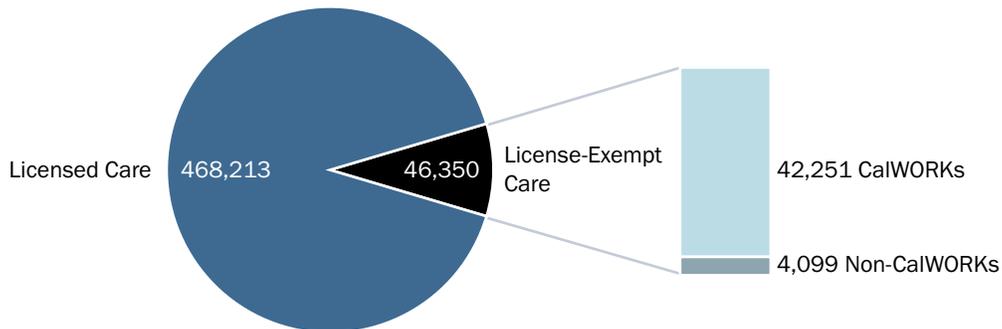
^c While an A.A. or equivalent experience is the minimum requirement, the Head Start Act requires that 50% of all teachers in center-based programs nationwide have at least a B.A. with a specialization in early childhood education.

Children involved in the welfare system are disproportionately in license-exempt and family child care homes, the programs with the lowest required standards.

A fifth of children in the subsidized system receive services through the Alternative Payment programs, which allows them to choose from a variety of care options, including license-exempt care. Children in CalWORKs Alternative Payment programs represent the majority of participation in subsidized, license-exempt care (Figure 9). Children in the early stages of this program have parents who are either currently on or transitioning off the state welfare program. These children are especially vulnerable because many have parents who have poverty-level incomes and tend to

work nonstandard hours, which typically only afford them the opportunity to enroll their children in nontraditional, flexible, after-hours or weekend care. Providers who can fill this bill are often friends, family, and neighbors who receive a subsidy for taking care of eligible children. These license-exempt providers are only required to meet minimal health and safety standards: criminal background checks for caregivers and self-certification of certain health and safety standards.⁹⁴

Figure 9
CalWORKs Children Represent the Majority of Children in Subsidized, License-Exempt Care⁹⁵
2015–16



Note: Enrollment is for children ages 0–12 in state and federal programs, which includes CalWORKs children in licensed and license-exempt care. Children enrolled in multiple programs may be included more than once.

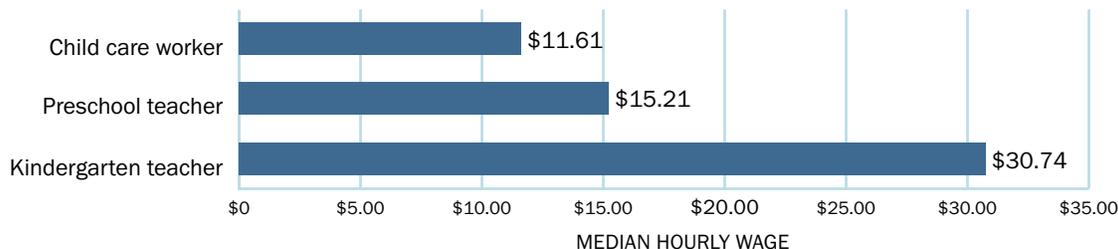
Source: LPI analysis of *Child care data reports, 2015–16* and *Transitional Kindergarten (TK) program participation, 2014–15*, California Department of Education; *CW 115 child care monthly report, October 2015*, California Department of Social Services; *Program information reports, 2015*, Administration for Children and Families.

Workforce Quality

Program quality is threatened by workforce instability, an outcome of low teacher pay.

Program standards are not the only driving force for quality. As a result of low reimbursement rates, wages for child care and preschool providers have historically been very low, with early educators earning roughly half the hourly wage of kindergarten teachers (see Figure 10). The Center for the Study of Child Care Employment reports that 47% of California’s child care workers rely on some form of public income support and earn a median hourly wage of \$11.61, putting them in the seventh percentile of earners in the state. Preschool teachers fare somewhat better, but still earn half the hourly wage of kindergarten teachers.⁹⁶ In contrast, transitional kindergarten teachers have the same salary, benefits, and working conditions as other public school teachers, which are much more generous.

Figure 10
California’s Child Care and Preschool Teachers Earn Very Low Wages



Note: Transitional kindergarten teachers are on the same salary scale as kindergarten teachers, so their median hourly wage is likely similar.

Source: Whitebook, M., McLean, C., and Austin, L. (2016). *Early Childhood Workforce Index 2016: California*. Berkeley, CA: Center for the Study of Child Care Employment, University of California.

Such low wages, along with job instability and stressful working conditions, affect programs’ ability to recruit and retain well-qualified staff.⁹⁷ Poor compensation is a top reason why early educators leave their jobs, and turnover rates are alarmingly high.⁹⁸ Many move on to jobs in k-12 schools or in other sectors that pay considerably better wages, which can be good for early educators, many of whom are women of color, but destabilizes ECE programs.⁹⁹ Instability in the workforce is a significant challenge for providing high-quality programs.

The Center for the Study of Child Care Employment reports that 47% of California’s child care workers rely on some form of public income support and earn a median hourly wage of \$11.61, putting them in the seventh percentile of earners in the state.

The reimbursement rate increases passed by the state legislature in 2016, if fully implemented, will allow for a much-needed pay raise for many ECE staff. However, these higher rates may not be sufficient to cover costs of a rising minimum wage. With a minimum wage of \$15 an hour, the typical child care worker will need to be compensated over \$3 more per hour than in 2015—which will substantially increase staffing costs.¹⁰⁰ Minimum wage laws also will affect “exempt” staff such as preschool administrators and some preschool teachers, who by law must be paid at least twice the minimum wage.¹⁰¹ Rising wages for the lowest-paid staff will also likely result in wage compression—the closing of the gap between higher-paid, higher-credentialed staff and staff receiving minimum wage. The ramifications of these changes are yet unknown.

Quality Improvement Efforts

California has begun to make strides to define and promote quality across programs, but standards are localized and inconsistent.

Quality rating and improvement systems (QRISs)—a mechanism for defining and improving quality among ECE providers—began to emerge in California in the mid-2000s. Development of QRISs received a significant boost in California with a federal Race to the Top Early Learning Challenge

grant in 2011. The state used these funds to develop 17 county-driven QRISs, a decentralized approach followed by only two other states. Since then, QRISs have continued to expand across the state, and today each of California's 58 counties has or is building a QRIS that applies to both publicly subsidized and private programs.

A fully developed QRIS includes

- a process for defining and rating the quality of ECE programs, including child care and preschool;
- strategies to incentivize and support programs in achieving and sustaining progressively higher levels of quality; and
- a system for communicating program ratings to providers, families, and the general public.

California's QRISs rate programs on a matrix from 1 (lowest) to 5 (highest) based on their use of child observation tools to assess children's practices, developmental and health screenings, teacher and administrator qualifications, teacher-child interactions, ratios and group size, and program environment rating scales. Counties have autonomy in determining the types of supports or incentives they offer to providers to help them achieve progressively higher levels of quality.¹⁰² In all counties, participation is voluntary. As of 2015, QRIS participants include 3,278 provider sites serving 124,734 children.¹⁰⁵

Despite the rapid growth of QRIS in California, work remains to ensure it effectively supports quality improvement among providers.

Despite the rapid growth of QRIS in California, work remains to ensure it effectively supports quality improvement among providers. Although California's current system provides extensive local flexibility, the Opportunity Institute reports that county administrators desire greater state-level input on some elements of the system, including data collection and strategies for supporting providers in improving quality. Further, there have been concerns that QRISs have not been designed with a diverse range of provider settings and cultural and linguistic backgrounds in mind. For example, California's provider rating matrix does not include measures regarding supports for English learners, and family child care home providers do not feel the quality rating structure reflects their strengths in offering culturally responsive care.¹⁰⁴ Finally, while preliminary research into the validity of California's QRIS ratings was encouraging, additional research is needed to ensure that the ratings accurately distinguish provider quality levels.¹⁰⁵ The California QRIS Consortium was formed in 2016 to address these challenges and refine the design and implementation of QRIS in California. The Consortium, supported by staff from the California Department of Education's Early Education and Support Division and First 5 California, includes representatives from all counties and regions.

Another nascent strategy for supporting quality improvement among ECE providers in California is the federal Early Head Start-Child Care Partnership (EHS-CCP) grants. These 5-year grants are intended to increase child care quality through partnerships between center- or family-home-based providers and Early Head Start providers, who must meet higher standards. The EHS-CCP model seeks to leverage the strengths of both child care providers and Early Head Start programs:

Child care providers offer convenient schedules for families and deep experience working with their local communities, and Early Head Start programs offer resources in areas such as training educators and implementing curricula. Beginning in 2015, California competed for federal funding to support its Early Head Start and child care programs, and 35 grantees received awards totaling \$66.7 million.¹⁰⁶ Given the early stages of the EHS-CCP, the extent of the partnerships impact is not yet known, though national studies of the program report early successes.¹⁰⁷

VI. Data Limitations

This report has attempted to elucidate the complex ECE system currently operating in California to help inform policy decisions moving forward. However, because of the dispersed nature of the ECE programs and administrators, some information needed to make informed decisions is difficult, if not impossible, to obtain.

Inconsistent Data

A lack of consistent data makes it difficult to know just how much California invests in ECE.

Several data limitations make it hard to evaluate the true adequacy of ECE funding in California. One unknown is the total number of children receiving services from two or more programs, making it difficult to pinpoint how much is being spent on a typical child. For example, some children may be receiving part-day state preschool as well as a child care voucher, even when a full-day state preschool slot might be more efficient for the state and the family.¹⁰⁸ The American Institutes for Research estimates that about 25% of children enrolled in Head Start also enroll in other public ECE programs, such as child care or state preschool.¹⁰⁹ Dual enrollment is a practice encouraged through Early Head Start-Child Care partnerships, which effectively increases funding for state preschool to enhance services or extend the hours of care. Much of this layering of funds, or “braiding,” occurs locally, making it difficult to track at the state level.

One unknown is the total number of children receiving services from two or more programs, making it difficult to pinpoint how much is being spent on a typical child.

Another unknown is how much funding is spent locally on ECE programs. Districts are not required to report Title I funds set aside for preschool, and only 55 out of 1,497 California school districts did so in 2015–16, for a total reported amount of \$13.3 million.¹¹⁰ More districts may be spending local education funding on preschool that is not reported to the state. Likewise, there is limited statewide data on how much money cities and districts set aside from their general operating funds for ECE initiatives.

School district spending on special services for children birth to age 5 presents another data challenge. Federal funds do not cover the full cost of federally mandated services for these children,¹¹¹ which leaves school districts and Special Education Local Plan Areas (SELPA) footing the remainder of the bill, and at least in some regions, the difference between actual costs and federal reimbursement is large.¹¹² For example, SELPAs receive just \$457 in extra funding per student with a low-incidence disability such as blindness or deafness, which does not come close to covering the cost of specialized services.¹¹³ State-level information on how much school districts spend on Special Education preschool and Early Start is not readily available.

Lack of consistency in state data compounds these challenges. State agencies may interpret ECE funding information differently, yielding conflicting numbers. For example, the California Department of Education sometimes reports different program funding totals than the Department of Finance, and the cause of the discrepancy is not always clear. Funding sources for ECE programs

may also vary from year to year, giving the appearance of substantial budget fluctuations, when in reality money is moved around but not added or subtracted. When the state fully implemented the consolidation of five early education programs into the California State Preschool Program in 2009–10, the National Institute for Early Education Research (NIEER) reported that California’s ranking for state preschool spending jumped from 22 to 12, and the number of children served increased from 97,948 to 147,185.¹¹⁴ As NIEER acknowledges, this change did not represent a substantial increase in funding, but rather the reclassification of several programs that were previously counted as general child care rather than state preschool. Inconsistent data reporting makes it difficult to determine actual changes in funding and enrollment over time.

Insufficient Data

Data limitations about children served make it difficult to assess whether the children most in need are receiving subsidized ECE.

Information on some of the state’s most vulnerable children also is lacking. Data on the number of foster youth in licensed versus license-exempt settings are not available, and where data on homeless youth are available, the low numbers create questions about reliability.¹¹⁵ Data on English learners are also limited by the fact that they are self-reported, and there is no formal data collection mechanism by which programs routinely capture the number of English learners enrolled.

Because children in the ECE system do not have a unique identifier, they may be accessing multiple programs or entering, leaving, and reentering the system and being counted separately each time.

A significant and related issue is that the state has no way of tracking children over time. Because children in the ECE system do not have a unique identifier, they may be overcounted. That is, children may be accessing multiple programs or entering, leaving, and reentering the system and being counted separately each time. If there is a significant number of children receiving services from multiple programs, the state is serving fewer children than data might initially suggest.

Finally, while the number of children eligible for publicly funded ECE programs currently exceeds the capacity to serve them, it is unclear how many families are actively seeking support—the actual demand—because there is no centralized waiting list for publicly subsidized ECE programs.¹¹⁶

Evidence of Impact

Evidence of impact on child outcomes is lacking for most California ECE programs.

In addition to challenges tracking ECE funding and services, California policymakers have little data about the long-term impacts of ECE programs to help guide their investments. While there is a robust and growing evidence base regarding the effect of ECE programs on child outcomes across the nation,¹¹⁷ few studies have been conducted of child outcomes from California’s major ECE programs, and no California-specific studies are examining these outcomes over time. Transitional

kindergarten is one of the only ECE programs in California whose effects have been studied. The American Institutes for Research studied the effects of the program in 2013–14, the second year of implementation, on children’s kindergarten outcomes one year later. This study, which used a rigorous research design,¹¹⁸ found that the program has a positive effect on kindergarten readiness in terms of students’ literacy and mathematics skills.¹¹⁹ Having similar research on the impacts of other ECE programs in California would help to inform decision making in the state.

VII. Takeaways

This report examines the landscape of early care and education in California. It has shown the investments the state has made to support the development of children birth to age 5 and their families and the range of programs established to meet their needs. At the same time, it has detailed where the investments have fallen short, the unmet need for services, and the variable quality of the programs. Specifically, we found the following:

- ECE in California is a patchwork of programs with distinct purposes and designs. Its administration is uncoordinated, with many federal, state, and local agencies administering ECE programs, making the system complex and confusing.
- Funding flows from an amalgam of federal, state, and local funding sources and is vulnerable to economic fluctuations. Programs are each funded differently, with different per-child reimbursement rates for programs that serve similar children. Complex funding mechanisms at times lead counties to return funds to the state.
- There is a substantial unmet need for publicly funded ECE programs. Programs for infants and toddlers and full-day programs are particularly limited in scope, and access is uneven across the state.
- California's ECE programs are subject to differing regulations, creating programs of varying quality. Program quality is threatened by workforce instability, an outcome of low teacher pay. Although California has begun to make strides to define and promote quality across programs, standards are localized and inconsistent.
- A lack of consistent data makes it difficult for policymakers to make informed decisions. Basic information such as how much, in total, California invests in ECE and how many eligible children are in subsidized programs is difficult to determine.

Each year, California policymakers make decisions about how and how much to invest in young children. The importance of those choices cannot be overstated: They determine who has access to subsidized care and whether that care is good enough to realize its promise of supporting children's educational, social, and physical development.

An opportunity currently exists in the state to strengthen and expand the ECE system. The Assembly Speaker recently formed a Blue Ribbon Commission on Early Childhood Education with the express purpose of developing policy solutions and budget actions to improve outcomes for young children and their families by providing more services to needy families and children through a sustainable system.

This landscape of California's ECE system identifies where improvements can be made to boost the likelihood that children and families have access to the high-quality programs they need, and raises questions that state policymakers and the Blue Ribbon Commission will need to consider.

Each year, California policymakers make decisions that determine who has access to subsidized care and whether that care is good enough to realize its promise.

1. How can California move from a patchwork of disconnected programs to a more unified ECE system?

California's ECE system encompasses a patchwork of programs. The existence of multiple programs run by multiple agencies has created a siloed approach to policymaking and funding. This inhibits policymakers from taking a comprehensive view of how to best reach children statewide and makes it difficult to determine who is being served, where gaps exist and for whom, and even how much the state is investing in ECE overall. Focusing on state preschool in isolation from other programs, for example, draws attention away from the need for services for children birth to age 3. Not accounting for Head Start in determining access to and need for services skews assessments of ECE participation and costs.

An administrative structure that allows policymakers to see the whole system could enable more informed decisions.

An administrative structure that allows policymakers to see the whole system could enable more informed decisions. Some states have fostered coordination among ECE programs by housing all children's services under one umbrella. The state of Washington, for example, created the cabinet-level Department of Early Learning. Michigan consolidated early childhood programs in the Office of Great Start, housed in the Department of Public Instruction; North Carolina did so in the Division of Child Development and Early Education, housed in the Department of Health and Human Services.¹²⁰

California does operate a State Advisory Council on Early Learning and Care, a governor-appointed leadership body with nine members representing state administrative agencies, providers, and early childhood researchers.¹²¹ The council holds regular meetings to gather public input and makes recommendations to the governor on the future policy direction for ECE in California. However, the council does not have any authority to set regulations for ECE in the state.

Whether through a single administrative agency, a formal interagency team, or another structure, a systems perspective would enable California policymakers to create a plan of action that considers the entire landscape, ultimately improving both efficiency and services for children.

2. How should California increase the availability of high-quality, full-day ECE programs that meet the needs of children and families?

Publicly funded ECE programs currently do not have sufficient capacity to serve all of California's children and families. The need for additional ECE slots is undeniable, with only one-third of eligible children served. The problem is especially acute for infants and toddlers. Increased investment in programs such as General Child Care and Development and Early Head Start would bring additional services to this population.

The need for additional ECE slots is undeniable, with only one-third of eligible children served.

Families also need programs that they can reasonably access if they work, including full-day programs and those with nontraditional schedules. One strategy is to increase investments in full-day ECE such as General Child Care and Development, full-day Head Start, and full-day state preschool, which would begin to address this concern. In deciding how best to meet the needs of working families, policymakers must learn more about why efforts to expand some full-day programs, specifically full-day state preschool, have not been successful.

Blending and braiding funding sources is another strategy for creating full-day slots. The state of Michigan strategically increased the number of children enrolled in full-day programs by blending a part-day state preschool slot with a part-day Head Start slot, creating a full-day slot. Through this strategy, over the state's two-year expansion of state preschool, the proportion of children enrolled in full-day programs increased from 33% in 2013 to 67% in 2014, and to 80% in 2015. Further, Michigan expanded access to full-day slots without decreasing the number of children served; in fact, the state increased the overall number of 4-year-old children served during this period from 31,952 in 2014 to 38,213 in 2015.¹²² California likewise needs to determine how to increase the availability of high-quality, full-day ECE programs.

3. How can California more sustainably fund ECE programs?

Recently, California has infused much-needed financial resources into ECE. In 2015, the focus was on restoring slots; in 2016, on raising reimbursement rates to ensure that programs are sufficiently funded to remain solvent and retain their workforce. However, total ECE spending has not been restored to pre-recession levels. The evidence is clear that California has a considerable distance to go in creating a stable and sufficient source of revenue to serve all children who qualify for state-subsidized ECE. State revenue for ECE is vulnerable to general economic decline and decreasing tobacco tax revenues. New funding is needed not just to create new slots, but also to raise reimbursement rates so that programs are financially stable and teachers are paid a fair wage. This is especially important for programs that currently receive lower reimbursement rates than others in the publicly subsidized system, despite offering similar services.

The evidence is clear that California has a considerable distance to go in creating a stable and sufficient source of revenue to serve all children who qualify for state-subsidized ECE.

A move to a more stable funding system in California will take time, but should start now. In an effort to make ECE funding sustainable, for example, West Virginia integrated its preschool program into the k-12 school aid funding formula, providing a stable source of financial support. To make this shift feasible for localities, the state set realistic timelines for the rollout and expansion of the preschool program, allowing 10 years for full implementation of universal preschool. Whether by adding preschool funding to the Local Control Funding Formula (LCFF), finding new or alternative funding sources to supplement declining tobacco tax revenues, or by other means, California needs to develop a reliable funding strategy for ECE.

4. How can California continue to improve quality and supports for all ECE programs?

Research shows that high-quality instruction is vital for student success in ECE programs, yet California's ECE programs vary in their quality standards. QRIS provides a promising means for addressing quality. Counties currently are leading the way with local QRIS efforts supported by First 5. Further, the state provides a block grant to support state preschool participation in the QRIS network. However, incentives for other ECE programs to participate in QRIS are determined locally, so participation varies. Compounding this challenge are concerns that the QRIS ratings matrix fails to address the needs and strengths of a diverse range of providers and is designed with center-based providers in mind.

Determining how to strengthen the QRIS and expand it to more providers can contribute to raising the quality of all programs.

The state needs to determine how it will improve QRIS to support all providers. One way is to bolster incentives for providers to participate in the system. In Michigan, a program must have a three-star (out of five stars) rating or higher to be eligible for state preschool funding. The state of Washington is rolling out its QRIS to both state preschool and subsidized child care providers. North Carolina integrates its child care licensing and quality rating and improvement systems, requiring that all ECE programs receive a program quality rating. Child care providers must maintain a three-star license (out of five stars) to receive state subsidies, and state preschool providers must maintain a four- or five-star license. In West Virginia, county-level teams create improvement plans based on an assessment of local needs and priorities, a localized approach to quality improvement that more closely matches California's county-level approach to QRIS.¹²³

In considering the best way to improve QRIS, California also must evaluate the supports it provides to assist improvement efforts because QRIS is meant to help programs improve. For example, Michigan provides county-level early childhood specialists who provide on-site coaching to every preschool teaching team. Washington offers on-site support to both state preschool and child care providers through its QRIS. In North Carolina, all preschool teachers receive coaching during their first three years in the classroom.¹²⁴

Moving forward, California needs to assess its QRIS and determine how to make the system more comprehensive and inclusive. These efforts may include incentives to encourage providers to participate and improvement mechanisms to assist providers in reaching quality standards. Determining how to strengthen the QRIS and expand it to more providers can contribute to raising the quality of all programs.

5. How can California improve data to inform strategic decision making?

At the state level, no one agency has a complete picture of who has access to ECE programs. Without a way to track individual children, the state will not know whether the same children are receiving services from multiple programs, or whether individual children receive ECE for a few months or a few years. Because of this lack of data, policymakers do not know how much they are investing per child and whether that investment is sustained. Data are conspicuously lacking when it comes to knowledge of dual enrollment in Head Start, which is federally administered, and local programs run by school districts, including Special Education programs and local preschool programs.

California would benefit from improving its ECE data system. A system that identifies individual children and tracks their access to programs over time would allow for a better estimate of unmet need and show whether children have sustained access to services. As part of its continuous quality improvement system, West Virginia developed a statewide pre-k data system as part of its broader k-12 data system. The system includes child assessment, health, and attendance data, as well as program assessment information.¹²⁵

A system that identifies individual children and tracks their access to programs over time would allow for a better estimate of unmet need and show whether children have sustained access to services.

California's funding data are similarly opaque. Financial information on state-funded programs is available from the Department of Finance; however, there is no single source of information that also includes federal funding for Head Start, Special Education, and Title I preschool programs. Funding for transitional kindergarten, too, is reported separately, as it is considered a k-12 program, despite serving children under the age of 5. Having access to financial information on all programs in a single place would enable policymakers to better understand their current investments and make well-informed financial and programmatic decisions. The state needs to determine where best to house the information and how to make it available.

California has a long history of investing in children birth to age 5 and offers an array of programs designed to meet the diverse needs of children and families. However, there are insufficient resources to serve all families who qualify, and the landscape is complex and uncoordinated. Increasing access and improving quality will require both budgetary and operational attention but ultimately can create a system that, as a whole, will serve California's children better.

Appendix A: Sources and Method Used to Calculate Portion of Eligible Children Served

To estimate the number of children birth to age 5 who are eligible for state- and federally subsidized ECE in California, we analyzed the U.S. Census Bureau’s Current Population Survey using the Integrated Public Use Microdata Series—CPS (IPUMS-CPS).

We considered a child eligible if he or she

- has a family income below the federal poverty level (is eligible for Head Start); or
- is 3- or 4-years-old and has a family income below 70% of the State Median Income¹²⁶ (is eligible for state preschool); or
- is birth to age 3 with a family income below 70% of the State Median Income and all parents work, are enrolled in school, or are incapacitated (is eligible for General Child Care and Development and Alternative Payment programs).

Our estimate of the number of children served includes those enrolled in:

- Head Start (including Early Head Start, Migrant and Seasonal, and American Indian/Alaskan Native)¹²⁷
- State preschool (part- and full-day)¹²⁸
- Transitional kindergarten¹²⁹
- General Child Care and Development (including Migrant)
- Alternative Payment programs (including CalWORKs, non-CalWORKs, and Migrant)¹³⁰

We did not include children birth to age 5 enrolled in Special Education because we do not have a way of estimating the eligible population (children with special needs). We also did not include home visiting, due to data limitations and because home visiting services are different from the other programs in this analysis, typically offering 60 to 90 minutes of engagement with families two to four times per month.

The portion of children served is an estimate. Although we attempt to account for dual enrollment between Head Start and state preschool,¹³¹ some children still may be counted twice, making these estimates conservative. The one program in which we may underestimate enrollment is transitional kindergarten; data were only available for 2014–15, and the program has likely expanded since then.¹³²

These estimates represent the number of children currently eligible for services, not the number of children in need. Seventy percent of the State Median Income in 2005 is an arbitrary, and many say outdated, income eligibility limit. For families just over the income eligibility threshold, quality ECE is often out of reach. We use the eligibility limit, however, to give policymakers a sense of progress toward a stated policy objective.

Our analysis differs from recent analyses by the California Budget & Policy Center (2017) and the American Institutes for Research (2016) in the programs that we count and the age groups that we examine, but we otherwise used a similar methodology and are appreciative that they made their methodology and calculations publicly available.¹³³

Portion of children served in California’s ECE programs

Age	Eligible	Enrolled	Not enrolled	% of eligible population enrolled	Total California population
Birth to age 3	505,000	70,000	435,000	14%	1,365,000
3-year-olds	216,000	82,000	134,000	38%	493,000
4-year-olds	242,000	166,000	76,000	69%	493,000
Birth to age 5	963,000	317,000	645,000	33%	2,351,000

Sources: LPI analysis of the U.S. Census Bureau’s Current Population Survey, 2015; October 2015/April 2016: *Average number and percent of children by program type and age group*, 2016, California Department of Education; *Transitional Kindergarten program participation* from Dataquest, 2014–15, California Department of Education; *CW 115 child care monthly report*, 2016, California Department of Social Services; *Program information reports*, 2016, Administration for Children and Families.

Appendix B: Program Descriptions

In the following pages, we provide a brief overview and key facts about these ECE programs:

- Alternative Payment Programs (CalWORKs 1, 2, and 3)
- Alternative Payment Program (Non-CalWORKs)
- American Indian and Alaska Native Programs
- California State Preschool Program (State Preschool)
- Early Head Start
- Early Start
- General Child Care and Development
- Head Start
- Home Visiting
- Migrant Programs
- Special Education Preschool
- Title I Preschool
- Transitional Kindergarten

Alternative Payment Programs (CalWORKs 1, 2, and 3)

Overview	The CalWORKs Alternative Payment programs provide child care vouchers for families to use at a variety of privately or publicly operated child care programs. They serve families who are currently participating in or transitioning off California’s state welfare program, CalWORKs.
Enrollment	68,477 children birth to age 5 <ul style="list-style-type: none"> • CalWORKs 1: 26,267 • CalWORKs 2: 30,116 • CalWORKs 3: 12,094
Ages served	Birth to age 12. ¹³⁴ The largest proportion of children served are 2 to 5 years old.
Eligibility	<p>CalWORKs Stage 1 begins when a family enters CalWORKs and typically ends after 6 months or when their situation is stable, and when there is a slot available in CalWORKs Stage 2. To be eligible, a family must demonstrate need by having a parent who is working or participating in an approved activity (e.g., welfare-to-work, job search), is unable to provide care for part of the day, and</p> <ul style="list-style-type: none"> • receives foster care benefits or Supplemental Security Income/State Supplementary Payments (SSI/SSP) benefits, or • is a Cal-Learn participant, or • is a former CalWORKs client who became employed. <p>Stage 2 begins 6 months after entering CalWORKs or when the family’s situation is stable, and may continue up to 24 months after the recipient has transitioned off CalWORKs cash aid, so long as the family continues to demonstrate need and has an income under 70% of the State Median Income (SMI).</p> <p>Stage 3 child care services may be offered if the family is still income- and need-eligible after timing out of CalWORKs 2. Unlike Stages 1 and 2, Stage 3 is not an entitlement, so availability of care depends upon funding.</p>
Settings	<ul style="list-style-type: none"> • Centers: 27% • Family child care homes: 38% • License-exempt family, friend, or neighbor: 35%

Length of day	Based on number of hours a client is participating in county-approved activities, working, commuting, or when a child is ill and requires alternative care arrangements <ul style="list-style-type: none"> • 78% full day • 22% part day¹³⁵
Funding	Total: \$1.1 billion ¹³⁶ CalWORKs 1: <ul style="list-style-type: none"> • Temporary Assistance for Needy Families/Social Services Block Grant: \$370.6 million • State General Fund: \$35.2 million CalWORKs 2: <ul style="list-style-type: none"> • Temporary Assistance for Needy Families/Social Services Block Grant: \$10 million • State General Fund: \$404.2 million CalWORKs 3: <ul style="list-style-type: none"> • Child Care and Development Fund: \$161.5 million • State General Fund: \$116.7 million
Administrative agency	<ul style="list-style-type: none"> • Federal: U.S. Department of Health and Human Services, Office of Child Care • State: CalWORKs 1: California Department of Social Services; CalWORKs 2 and 3: California Department of Education • Local: Alternative Payment agencies or county welfare departments (CalWORKs Stage 1 only)¹³⁷
Quality guidance	Varies by setting. Licensed centers and family home care providers must adhere to Title 22 basic health and safety requirements. License-exempt providers must only pass a background check (TrustLine) or be close relatives of the child.
Curriculum	None required
Staff-to-child ratios	Centers (Title 22 standards) <ul style="list-style-type: none"> • Birth to 18 months: 1:4 • 18–30 months: 1:6 • 2–5 years: 1:12 Family child care home ratios vary based on the number of caretakers and the mix of ages served.
Minimum teacher qualification	<ul style="list-style-type: none"> • Centers: 12 semester units in ECE and 6 months of experience, or a Child Development Assistant permit • Family child care homes: Must be 18 years or older • License-exempt family, friend, or neighbor: Nonfamily members must have TrustLine certification

Sources: California Department of Education. (April 2016). *Child care annual statewide reports*; California Department of Social Services. (2016.) *CW 115 child care monthly report*; California Department of Education. (2016). *Program requirements for CalWORKs Stage 2 (C2AP): Fiscal year 2016–2017*; California Department of Education. (2016). *Program requirements for CalWORKs Stage 3 (C3AP): Fiscal year 2016–2017*; California Department of Social Services. *Manual of policies and procedures: Eligibility and assistance standards. Division 47: Chapters 47–100 to 47–600*; California Department of Finance. (2016). *Department of Education child development program reports, 2015–17*; California Department of Social Services. (2016). *Budget estimate methodologies for local assistance: May 2016 revision*; California Department of Social Services. (2016). *2016 budget detail tables*.

Alternative Payment Program (Non-CalWORKs)

Overview	The non-CalWORKs Alternative Payment program provides child care vouchers for families to use at a variety of privately or publicly operated child care programs. The program is intended to increase parental choice and accommodate the individual needs of the family.
Enrollment	14,396 children birth to age 5
Ages served	Birth to age 12 ¹³⁸
Eligibility	Serves children in greatest need: <ul style="list-style-type: none"> • Family income at or below 70% of the State Median Income (\$46,896 for a family of four) with parents who are employed, seeking employment, in vocational training, or incapacitated • Family is a cash aid recipient • Family is homeless • Family has a child who is at risk of abuse, neglect, or exploitation, or receiving child protective services through the county welfare department
Settings	<ul style="list-style-type: none"> • Centers: 30% • Family child care homes: 52% • License-exempt family, friend, or neighbor: 18%
Length of day	Hours of care are based on number of hours a client is participating in county-approved activities, working, commuting, or when a child is ill and requires alternative care arrangements. <ul style="list-style-type: none"> • 73% full day • 27% part day
Funding	Total: \$251 million <ul style="list-style-type: none"> • Child Care and Development Fund: \$170 million • State General Fund: \$81 million
Administrative agency	<ul style="list-style-type: none"> • Federal: U.S. Department of Health and Human Services, Office of Child Care • State: California Department of Education • Local: Alternative Payment agencies
Quality guidance	Varies by setting. Licensed centers and family home care providers must adhere to Title 22 health and safety requirements. License-exempt providers must only pass a background check (TrustLine) or be close relatives of the child.
Curriculum	None required
Staff-to-child ratios	Centers (Title 22 standards) <ul style="list-style-type: none"> • Birth to 18 months: 1:4 • 18–30 months: 1:6 • 2–5 years: 1:12 Family child care home ratios vary based on the number of caretakers and the mix of ages served.
Minimum teacher qualification	<ul style="list-style-type: none"> • Centers: 12 semester units in ECE and six months of experience or a Child Development Assistant permit • Family child care homes: Must be 18 years or older • License-exempt provider: Nonfamily members must have TrustLine certification

Sources: California Department of Education. (April 2016). *Child care annual statewide reports*; California Department of Education. (2016). *Program requirements for California Alternative Payment Program (CAPP): Fiscal year 2016–2017*; California Department of Finance. (2016). *Department of Education child development program reports, 2015–17*.

American Indian and Alaska Native Programs

Overview	American Indian and Alaska Native (AIAN) Head Start and Early Head Start are comprehensive child development programs administered by American Indian tribes. The American Indian Early Childhood Education (AIECE) Program serves American Indian children in pre-kindergarten through 4th grade.	
	AIAN Head Start	AIECE
Enrollment	496 children and four pregnant women ¹³⁹	302 children enrolled in preschool through 4th grade
Ages served	Birth to age 5	3- to 10-year-olds
Eligibility	Same as Head Start eligibility (see table below), although more than 10% of participants who do not meet eligibility requirements may be enrolled if all other eligible pregnant women or children who wish to be enrolled are served first	Local education agency receiving grant must serve a population of at least 10% American Indian students
Settings	Over 96% of programs are in centers. The remainder are family child care homes and home visiting.	Elementary schools
Length of day	<ul style="list-style-type: none"> • 31% full day • 66% part day • 3% weekly, 90-minute home visits¹⁴⁰ 	Varies locally
Funding	Head Start grants: \$10.4 million ¹⁴¹	Proposition 98: \$0.55 million ¹⁴²
Administrative agency	<ul style="list-style-type: none"> • Federal: U.S. Department of Health and Human Services, Office of Head Start • Local: Head Start grantees and subcontractors 	State: California Department of Education Local: Local education agencies
Quality guidance	Head Start Program Performance Standards	Varies locally
Curriculum	See Head Start and Early Head Start tables	Varies locally
Staff-to-child ratios	See Head Start and Early Head Start tables	Varies locally
Minimum teacher qualification	See Head Start and Early Head Start tables	Varies locally

Sources: LPI analysis of: Administration for Children and Families. (2016). *Program information reports*; Administration for Children and Families. (2016). *Justification of estimates for appropriations committees*; California Department of Education. (2016). *AIECE Program Directory report* <http://www.cde.ca.gov/sp/ai/ec/> (accessed 1/19/17); California Department of Education. (2016). *AIECE Funding Profile* <http://www.cde.ca.gov/fg/fo/profile.asp?id=3563> (accessed 1/19/17); Head Start Performance Standards, 45 C.F.R. §§1301–1302 (2016); Head Start Act of 2007, 42 U.S.C. §§636–648A (2007).

California State Preschool Program (State Preschool)

Overview	State preschool is a child development and school readiness program that provides full- and part-day preschool for 3- and 4-year-old children from low-income families. The program also assists families by providing parental education and referrals to health and social services.
Enrollment	136,107 children
Ages served	3- and 4-year-olds
Eligibility	<p>Serves children in greatest need:</p> <ul style="list-style-type: none"> • Family income at or below 70% of the State Median Income (\$46,896 for a family of four) • Family is a cash aid recipient • Family is homeless • Family has a child who is at risk of abuse, neglect, or exploitation, or receiving child protective services through the county welfare department <p>Eligibility for full-day programs requires that parents are employed, seeking employment, in vocational training, homeless, or incapacitated.</p>
Settings	Centers
Length of day	<ul style="list-style-type: none"> • 29% full day • 71% part day
Funding	<p>Total: \$980 million</p> <p>Full-day programs: \$555 million</p> <ul style="list-style-type: none"> • Proposition 98: \$410 million • State General Fund: \$145 million¹⁴³ <p>Part-day programs: Proposition 98: \$425 million</p>
Administrative agency	<ul style="list-style-type: none"> • State: California Department of Education • Local: Contractors may be school districts, community-based organizations, and others.
Quality guidance	Programs must meet Title 5 standards. Additional guidance is provided by the California Preschool Learning Foundations and the California Preschool Program Guidelines.
Curriculum	Programs must use a developmentally, linguistically, and culturally appropriate curriculum that is inclusive of children with special needs and supportive of children’s social and emotional development. The program also must provide for the development of each child’s cognitive and language skills and each child’s physical development by offering sufficient time, indoor and outdoor space, equipment, materials, and guidelines for active play and movement.
Staff-to-child ratios	1:8
Minimum teacher qualification	California Child Development Associate Teacher Permit (24 units of ECE, 16 units of general education, and 175 days of experience in a child care and development program)

Sources: LPI analysis of: California Department of Education. (2016). *Child care data reports*; California Department of Education. (2016). *Program requirements for California State Preschool Program Fiscal Year 2015–2016*; California Department of Education. (2016). CSPP—Staffing qualifications. <http://www.cde.ca.gov/fg/aa/cd/staffingqatt2013.asp> (accessed 1/19/17); California Legislative Analyst’s Office. (2016). *July EdBudget tables*.

Early Head Start

Overview	Early Head Start is a comprehensive early education program for low-income pregnant women, infants, and toddlers, including young children with disabilities. It also provides physical health, mental health, nutrition, and family engagement services, and links families to resources for additional social services. Some California Early Head Start providers partner with licensed child care providers to increase child care quality through Early Head Start—Child Care Partnerships.
Enrollment	15,583 children and 609 pregnant women ¹⁴⁴
Ages served	Birth to age 3 and pregnant women
Eligibility	<p>Serves low-income children:</p> <ul style="list-style-type: none"> • Family income below the Federal Poverty Level • Family eligible for public assistance such as Temporary Assistance for Needy Families or Social Security Income • Child in foster system or experiencing homelessness <p>Programs must ensure at least 10% of children served are those with special needs. Up to 10% of participants who do not meet these eligibility requirements, specifically children whose family incomes are between 100 and 130% of the Federal Poverty Level, may be served under certain circumstances.</p>
Settings	<ul style="list-style-type: none"> • Centers: 30% • Family child care homes: 3% • Family's home (home visiting): 64% • Combination (center and home visiting): 3%
Length of day	<ul style="list-style-type: none"> • 31% full day • 5% part day • 64% receive weekly, 90-minute home visits¹⁴⁵
Funding	<p>Total (Early Head Start and Head Start programs): \$1.065 billion</p> <ul style="list-style-type: none"> • Federal Head Start grants (Head Start and Early Head Start): \$998 million. In 2014–15, approximately 25% of total funding was allocated to Early Head Start programs. • Early Head Start Child Care Partnership grant: \$67 million
Administrative agency	<ul style="list-style-type: none"> • Federal: U.S. Department of Health and Human Services, Office of Head Start • Local: Head Start grantees and subcontractors
Quality guidance	Head Start Program Performance Standards
Curriculum	Programs must use a research-based, developmentally appropriate curriculum. The most prevalent curriculum among center-based providers in California is Creative Curriculum for Infants and Toddlers.
Staff-to-child ratios	Centers: 1:4, maximum group size of eight Family child care home ratios vary based on the number of caretakers and the mix of ages served.
Minimum teacher qualification	Child Development Associate credential or comparable credential, and training or equivalent coursework in early childhood development with a focus on infants and toddlers

Sources: LPI analysis of: Administration for Children and Families. (2016). *Program information reports*; Administration for Children and Families. (2016). *Head Start Performance Standards*, 45 C.F.R. §§1301–1302; *Head Start Act of 2007*, 42 U.S.C. §§636–648A; Administration for Children and Families. (2016). *Justification of estimates for appropriations committees*; Administration for Children and Families. (2016). *Early Head Start-Child Care Partnership and Early Head Start expansion awards reports, 2014–2017*; California Department of Education. (2015). California Head Start State Collaboration Office <http://www.cde.ca.gov/sp/cd/re/chssco.asp> (accessed 1/19/17); Barnett, W. S., & Friedman-Krauss, A. (2016). *State(s) of Head Start*. New Brunswick, NJ: National Institute of Early Education Research.

Early Start

Overview	Early Start is an early intervention service for infants and toddlers with special needs and their families. Families may participate if a child has a developmental delay or disability, or if the child has an established risk condition with harmful developmental consequences. The program funds family resource centers that provide parent education and early intervention services. Services include language therapy, physical therapy, and home visits, among others.
Enrollment	36,895 children ¹⁴⁶
Ages served	Birth to age 3
Eligibility	<p>Serves students with special needs:</p> <ul style="list-style-type: none"> • Child has a “significant developmental delay,” or • Child is considered “high risk,” despite not having an already established developmental delay <p>Families earning over 400% of the Federal Poverty Level pay a family fee; services are free for families below this threshold.</p>
Settings	<p>Varies by the child’s need.</p> <ul style="list-style-type: none"> • Child’s home: 81% • Community-based organization: 13% • Other: 6%
Length of day	Data unavailable. Services are individually determined.
Funding	<p>Total: \$58.4 million</p> <ul style="list-style-type: none"> • Individuals with Disabilities Education Act (IDEA), Part C grants: \$54.9 million • State General Fund:¹⁴⁷ \$3.5 million
Administrative agency	<ul style="list-style-type: none"> • Federal: U.S. Department of Education, Office of Special Education Programs • State: Department of Developmental Services in coordination with the California Department of Education • Local: Special Education Local Plan Areas, Early Start Family Resource Centers, and local education agencies
Quality guidance	Individuals with Disabilities Education Act
Curriculum	No curriculum specified
Staff-to-child ratios	Services are individually determined.
Minimum teacher qualification	Varies by position. All positions require specialized training in a relevant field, such as early intervention, medicine, physical therapy, or social work.

Sources: U.S. Department of Education. (2014). *IDEA Part C Child Count and Educational Environments*; Department of Developmental Services. (2011). *California Early Start* http://www.dds.ca.gov/EarlyStart/docs/EarlyStart_InformationPacket.pdf (accessed 4/20/17).

General Child Care and Development

Overview	General Child Care and Development is a comprehensive child development program for low-income children. Providers offer developmentally appropriate activities, nutrition, health screenings, parent education, and referrals to social services.
Enrollment	21,802 children birth to age 5
Ages served	Birth to age 12
Eligibility	Serves children in greatest need: <ul style="list-style-type: none"> • Family income at or below 70% of the State Median Income (\$46,896 for a family of four) with parents who are employed, seeking employment, in vocational training, homeless, or incapacitated • Family is a cash aid recipient • Family has a child who is at risk of abuse, neglect, or exploitation, or is receiving child protective services
Settings	<ul style="list-style-type: none"> • Centers: 80% • Family child care homes: 20%
Length of day	Determined based on number of hours a client is participating in county-approved activities, working, commuting, or when a child is ill and requires alternative care arrangements. <ul style="list-style-type: none"> • 70% full day • 30% part day
Funding	Total: \$305 million <ul style="list-style-type: none"> • Child Care and Development Fund: \$184.3 million • State General Fund: \$120.7 million
Administrative agency	<ul style="list-style-type: none"> • Federal: U.S. Department of Health and Human Services, Office of Child Care • State: California Department of Education • Local: Contractors and subcontractors may be school districts, community-based organizations, colleges, and others.
Quality guidance	Title 5 standards
Curriculum	None required. Programs must provide an educational component that is age and developmentally appropriate.
Staff-to-child ratios	Centers (Title 5 standards): <ul style="list-style-type: none"> • Birth to 18 months: 1:3 • 18–36 months: 1:4 • 3–5 years: 1:8 Family child care home ratios vary based on the number of caretakers and the mix of ages served.
Minimum teacher qualification	Child Development Associate Teacher Permit (24 units of ECE, 16 units of general education, and 175 days of experience in a child care and development program) or an A.A. or higher degree in ECE or a related field with three units of supervised field experience

Sources: California Department of Education. (April 2016). *Child care annual statewide reports*; California Department of Education. (2016). *Program requirements for General Child Care and Development*; California Department of Finance. (2016). *Department of Education child development program reports, 2015–17*.

Head Start

Overview	Head Start is a comprehensive early education program for low-income preschool-age children, including young children with disabilities. Head Start also provides physical health, mental health, nutrition, and family engagement services and links families to resources for additional social services.
Enrollment	81,932 children ¹⁴⁸
Ages served	3- to 5-year-olds
Eligibility	<p>Serves low-income children:</p> <ul style="list-style-type: none"> • Family income below the Federal Poverty Level • Family eligible for public assistance such as Temporary Assistance for Needy Families or Social Security Income • Child in foster system or experiencing homelessness <p>Programs must ensure at least 10% of children served are children with special needs. Up to 10% of participants who do not meet these eligibility requirements, specifically children whose family incomes are between 100 and 130% of the Federal Poverty Level, may be served under certain circumstances.</p>
Settings	<ul style="list-style-type: none"> • Centers: 93% • Family child care homes: <1% • Family's home (home visiting): 6% • Combination (center and home visiting): <1%
Length of day	<ul style="list-style-type: none"> • 23% full day • 71% part day • 6% receive weekly, 90-minute home visits¹⁴⁹
Funding	Federal Head Start grants (for all Head Start programs, including Early Head Start): \$998 million. In 2014–15, approximately 75% of total funding was allocated to Head Start programs serving 3- to 5-year-olds.
Administrative agency	<ul style="list-style-type: none"> • Federal: U.S. Department of Health and Human Services, Office of Head Start • Local: Head Start grantees and subcontractors
Quality guidance	Head Start Program Performance Standards
Curriculum	Head Start providers are required to use a research-based, developmentally appropriate curriculum. The two most prevalent curricula used by center-based Head Start providers in California are Creative Curriculum and HighScope.
Staff-to-child ratios	4-year-olds: 1:10; maximum class size of 20 3-year-olds: 1:9; maximum class size of 17
Minimum teacher qualification	A.A. or equivalent coursework. Half of all Head Start teachers nationally must have a B.A.

Sources: LPI analysis of: Administration for Children and Families. (2016). *Program information reports; Head Start Performance Standards*, 45 C.F.R. §§1301–1302 (2016); *Head Start Act of 2007*, 42 U.S.C. §§636–648A (2007); Administration for Children and Families. (2016). *Justification of estimates for appropriations committees*; Barnett, W.S., & Friedman-Krauss, A. (2016). *State(s) of Head Start*. New Brunswick, NJ: National Institute of Early Education Research.

Home Visiting

Overview	Home visiting is a voluntary parenting program offered to pregnant women or parents with children birth to age 5. Counties administer most home visiting programs, although the state administers the federally funded California Home Visiting program.
Enrollment	Estimated 42,800 children
Ages served	Varies. Most programs target expectant mothers with children birth to age 5.
Eligibility	Varies. Programs typically target low-income pregnant women and families. Other eligibility factors include age (pregnant women younger than 21), history of child abuse or neglect, domestic violence, and substance use (including tobacco).
Settings	Family's home
Length of day	Varies according to program and family need. Visits most often occur one or two times per week, last one to 1.5 hours, and may involve additional activities such as organized play groups.
Funding	Total: \$135.5 million <ul style="list-style-type: none"> • California Home Visiting Program: Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Program grant: \$31.6 million • County-led home visiting programs: Proposition 10 Tobacco Tax: \$78.2 million • Additional funds, allocated locally: \$25.7 million
Administrative agency	California Home Visiting Program <ul style="list-style-type: none"> • Federal: U.S. Department of Health and Human Services, Health Resources and Services Administration, Maternal and Child Health Bureau • State: California Department of Public Health • Local: County departments of health County-led home visiting programs <ul style="list-style-type: none"> • State: First 5 Association • Local: First 5 county commissions and local partner agencies
Quality guidance	Varies by program
Curriculum	Varies by program
Staff-to-child ratios	One home visitor per family
Minimum teacher qualification	Varies by program. Some home visitors are registered nurses, whereas others may have little formal training.

Sources: First 5 Association of California. (2016). *Investing in California's children*. Alameda, CA: First 5 Association of California; First 5 Association of California. (n.d.) *How is First 5 supporting home visiting across California?* Alameda, CA: First 5 Association of California; Pham, H. V., & Crow, S. (2015). *Voluntary home visiting data book: Assessing need and access in California*. San Francisco, CA: Next Generation; U.S. Health Resources and Services Administration, Maternal and Child Health. (2016). *MIECHV formula grant program and competitive grant program reports*.

Migrant Programs

Overview	Three of the ECE programs described in this appendix have programs specifically for migrant and seasonal families, particularly farm workers. (For more information about individual program standards and administration, see above.)		
	Migrant and Seasonal Head Start	Migrant Alternative Payment Program	Migrant Child Care and Development
Enrollment	6,574 children and 12 pregnant women ¹⁵⁰	841 children birth to age 5	1,966 children birth to age 5
Ages served	Birth to age 5	Birth to age 12	Birth to age 12
Eligibility	Must meet Head Start eligibility criteria, and family income must come primarily from agricultural work	Must meet Alternative Payment program eligibility criteria, and family must have earned at least 50% of gross income from agricultural work in the previous 12 months	Must meet General Child Care and Development eligibility criteria, with priority for children whose parents are dependent upon migrant and seasonal work
Settings	<ul style="list-style-type: none"> Centers: 69% Family child care homes: 31% 	<ul style="list-style-type: none"> Family child care homes: 98% License-exempt family, friend, or neighbor: 2% 	<ul style="list-style-type: none"> Centers: 87% Family child care homes: 13%
Length of Day	100% full day	<ul style="list-style-type: none"> 81% full day 19% part day 	<ul style="list-style-type: none"> 96% full day 4% part day
Funding ¹⁵¹	Head Start grants: Budget data not available for migrant programs	Child Care and Development Fund: \$5.4 million State General Fund: \$23.9 million ¹⁵²	

Sources: LPI analysis of: California Department of Education. (April 2016). *Child Care Annual Statewide Reports*; Administration for Children and Families. (2016). *Program information reports; Head Start Performance Standards*, 45 C.F.R. §§1301–1302 (2016); *Head Start Act of 2007*, 42 U.S.C. §§636–648A (2007); Administration for Children and Families. (2016). *Justification of estimates for appropriations committees*; California Department of Finance. (2016). *Department of Education child development program reports, 2015–17*.

Special Education Preschool

Overview	Special Education Preschool programs are for children with special needs and focus on children’s physical, cognitive, speech and language, psychosocial, and self-help skills. Services required under IDEA Part B vary by the child’s disability and are determined locally. Children may attend a general education program or a program specifically for children with disabilities.
Enrollment	45,398 3- and 4-year-olds ¹⁵³
Ages served	3- to 5-year-olds
Eligibility	Children must have a condition that cannot be accommodated by modifying the environment at home, school, or both without ongoing monitoring or support. There are no income eligibility requirements.
Settings	<p>Program setting varies by the child’s need and availability of services.</p> <ul style="list-style-type: none"> • 43% receive the majority of their services in general education early childhood programs, such as Head Start or state preschool • 45% receive the majority of their services in a special education classroom • 12% receive the majority of their services in a home or residential facility, or with a service provider
Length of day	Data unavailable. Services are individually determined.
Funding	Individuals with Disabilities Education Act (IDEA), Part B grants: \$96.9 million
Administrative agency	<ul style="list-style-type: none"> • Federal: U.S. Department of Education, Office of Special Education Programs • State: California Department of Education • Local: Special Education Local Plan Areas (SELPA) and local education agencies
Quality guidance	Individuals with Disabilities Education Act
Curriculum	None required
Staff-to-child ratios	Services individually determined
Minimum teacher qualification	Varies locally

Sources: U.S. Department of Education. (2014). *IDEA Part B child count and educational environments*; Barnett, W. S., Friedman-Krauss, A. H., Gomez, R., Horowitz, M., Weisenfeld, G. G., Brown, K. C., & Squires, J. H. (2015). *The state of preschool 2015*. New Brunswick, NJ: National Institute for Early Education Research; California Department of Education. (2016). *IDEA, Part B, Section 619, Special education federal preschool grant funding profile*; California Department of Education. (2016). *IDEA, Part B, Section 611, Preschool local entitlements funding profile*; California Department of Education. (2016). *Preschool staff development funding profile*.

Title I Preschool

Overview	Districts that receive Title I funds from the federal government may choose to offer ECE programming. Funds may also be used to enhance access or quality in existing programs, such as Head Start and state preschool.
Enrollment	Current enrollment unavailable
Ages served	Birth to age 5
Eligibility	<p>Child must live in a Title I school's attendance area and meet one of the following criteria:</p> <ul style="list-style-type: none"> • Child is at risk of failing to meet the state's academic achievement standards • Child participated in Head Start, a LEARN-funded program, or another Title I program in the previous two years • Family is homeless • Child is in the welfare system for neglect or delinquency <p>Although there is no income requirement, income may be used to prioritize enrollment.</p>
Settings	Any location where other Title I services may be provided, including public school buildings, public libraries, community centers, privately owned facilities, or a child's home.
Length of day	Data unavailable. Decisions are made locally.
Funding	Title I, Part A grants: \$13.3 million ¹⁵⁴
Administrative agency	<ul style="list-style-type: none"> • Federal: U.S. Department of Education • Local: Local education agencies
Quality guidance	At a minimum, programs must meet the education performance standards of the Head Start Program Performance Standards.
Curriculum	Title I preschools are required to follow Head Start education standards, which require a research-based, developmentally appropriate curriculum.
Staff-to-child ratios	Determined locally
Minimum teacher qualification	Determined locally

Sources: U.S. Department of Education. (2016). *Non-regulatory guidance, early learning in the Every Student Succeeds Act: Expanding opportunities to support our youngest learners*; U.S. Department of Education. (2012). *Serving preschool children through Title I*; unpublished data from the California Department of Education, Title I Program and Policy Guidance Office (personal communication, October 3, 2016).

Transitional Kindergarten

Overview	California school districts are required to offer transitional kindergarten, a pre-kindergarten program for children with birth dates just after the traditional kindergarten age cutoff.
Enrollment	77,274 children ¹⁵⁵
Ages served	4- and 5-year-olds
Eligibility	Students must turn 5 between September 2 and December 2. ¹⁵⁶ There are no income eligibility requirements.
Settings	K-12 public schools
Length of day	Length of day is the same as the local kindergarten program ¹⁵⁷ <ul style="list-style-type: none"> • 63% full day • 38% part day
Funding	Proposition 98 (Local Control Funding Formula): \$665 million ¹⁵⁸
Administrative agency	<ul style="list-style-type: none"> • State: California Department of Education • Local: Local education agencies
Quality guidance	Senate Bill 1381 states that transitional kindergarten will be regulated like a public kindergarten classroom. Additional guidance is provided by the California Preschool Learning Foundations, Transitional Kindergarten Implementation Guide, California Preschool Curriculum Frameworks, and California Academic Content Standards.
Curriculum	Programs must use a modified kindergarten curriculum that is both age- and developmentally appropriate.
Staff-to-child ratios	None required. Class size is aligned to the kindergarten standard, with a maximum of 31 students per class. ¹⁵⁹
Minimum teacher qualification	K-12 teaching credential and 24 units in ECE or comparable professional experience ¹⁶⁰

Sources: California Department of Education. (2016). *Dataquest statewide enrollment data*; California Department of Education. (2016). *Transitional Kindergarten FAQs*. <http://www.cde.ca.gov/cj/gs/em/kinderfaq.asp> (accessed 1/19/17); California Legislative Analyst Office. (2016). *July EdBudget tables*; S.B. 1381, 2010 Leg., Reg. Sess., 705 Cal. Educ. Code §§46300, 48000, 48010 (2010).

Appendix C: Publicly Funded ECE Supports

California’s core ECE programs are supported by a number of publicly funded programs and agencies. These supportive structures are designed to perform key functions that enable the ECE system to better serve young children and their families. In the following pages, we provide a brief overview and key facts about four of these system elements:

1. First 5 California and County Children and Families Commissions
2. Local Child Care and Development Planning Councils
3. Resource and Referral Agencies
4. Special Education Local Plan Areas

1. First 5 California and County Children and Families Commissions

Proposition 10, also known as the Children and Families First Act, was passed by California voters in 1998 to support investments in ECE and smoking cessation. The proposition leveled a tax on tobacco products and created a structure for investing in programs benefiting children prenatally to age 5 and their families: the First 5 Children and Families Commissions. First 5 is composed of a state-level commission, First 5 California, and a local counterpart in each of the state’s 58 counties, known as First 5 county commissions.¹⁶¹

First 5 California is a state-level organization that oversees projects, public awareness campaigns, and research studies to advance early childhood initiatives across the state. Twenty percent of Proposition 10 funding is reserved for First 5 California activities.¹⁶² Prior to 2015, the commission invested a significant portion of its funding in school readiness initiatives, but it has since moved away from specific program investments.¹⁶³ Instead, in 2015 the group launched IMPACT, a 5-year, \$190 million local matching grant program to support continuous quality improvement in early learning settings.¹⁶⁴

First 5 county commissions are present in each of the state’s 58 counties and are staffed by local leaders, experts, and advocates. First 5 California distributes 80% of Proposition 10 funds to these county commissions, based on birth rate, to invest in local programs and initiatives serving children prenatally to age 5 and their families.¹⁶⁵ In recent years, local investments have included home visiting programs, quality rating and improvement systems, and school readiness initiatives.¹⁶⁶ County commissions are supported in their work by the California First 5 Association and the California Children and Families Foundation.¹⁶⁷

Key Facts:

Number of commissions	One state and 58 county commissions
Funding	<ul style="list-style-type: none">• First 5 signature programs: \$21 million in 2015–16¹⁶⁸• First 5 county commission spending: \$559 million in 2014–15¹⁶⁹
Administration	<ul style="list-style-type: none">• State: First 5 California• Local: First 5 county commissions

2. Local Child Care and Development Planning Councils

Each county in California has a Local Child Care and Development Planning Council (LPC) to help ensure that families' child care needs are met. LPCs were created by Assembly Bill 2141 in 1991 to lead planning for child care and development, including both subsidized and unsubsidized care for children from birth through school age.¹⁷⁰

The core responsibilities of LPCs are laid out in state code and include a variety of planning functions. Every 5 years, LPCs must conduct a comprehensive child care needs assessment, analyzing the availability and need for child care in their community—a task that requires data collection and solicitation of local stakeholder input.¹⁷¹ Using information from the needs assessment, LPCs generate a strategic plan for the local child care system, which may be shared with the county board of supervisors or other local leaders. LPCs also determine annual priorities for child care and development funds, which are reported to the California Department of Education to inform funding allocations when new resources are available. The councils partner with other organizations and agencies to promote quality ECE, including coordinating part-day early childhood programs with child care to provide full-day services.¹⁷²

Locally, LPCs may undertake efforts above and beyond those outlined in state mandates, such as supporting the implementation of quality rating and improvement systems, working with institutions of higher education to advance the ECE workforce, and implementing strategies to leverage ECE funding in their county.¹⁷³ For example, the Los Angeles County LPC facilitates a process to orchestrate voluntary transfer of funds among state-contracted providers each spring, helping to identify opportunities to utilize state child care dollars locally rather than returning funds to the state.¹⁷⁴

Key Facts:

Counties participating	All 58
Membership council composition	Councils vary in size, but appointees are selected by either the county board of supervisors or school superintendent and represent, at a minimum: <ul style="list-style-type: none">• Child care providers• Child care consumers• Public agencies• Community agencies¹⁷⁵
Funding	\$3.4 million in state funds in 2015–16 ¹⁷⁶
Administrator	<ul style="list-style-type: none">• State: California Department of Education• Local: County boards of supervisors and superintendents of schools¹⁷⁷

3. Resource and Referral Agencies

Since 1976, California has funded nonprofit organizations across the state to act as child care resource and referral agencies (R&Rs). These agencies may be public or private organizations and serve a defined geographic area.¹⁷⁸ The California Department of Education contracts with 57 agencies in 69 locations. Each county is served by at least one R&R; more populous counties, such as Los Angeles and Alameda counties, are served by multiple R&Rs.¹⁷⁹ R&Rs aid families of all incomes, free of charge, by providing child care referrals and resources that meet both child and family needs for children from birth through school age. R&Rs are required to collect and report data about providers and referrals, which includes local providers' licensing status, the languages they speak, the age groups they serve, the schedules they offer, and the number of spaces available in centers or family child care homes. In 2015–16, the state's 69 R&Rs answered more than 178,000 requests for child care referrals; of these, 80% were for children under age 6. The same year, R&Rs fielded over 614,000 other requests for information about child care services.¹⁸⁰

Another core function of R&Rs is to provide training for caregivers. In 2015–16, R&Rs provided training on topics such as health and safety and child development for more than 42,000 participants who included center-based child care staff, family child care providers, and parents. Over a third of these trainings were conducted in Spanish.¹⁸¹

R&Rs also support other efforts to expand and enhance access to high-quality child care. The agencies implement the Child Care Initiative Project, a quality improvement initiative that recruits and supports family child care home providers, and works closely with Alternative Payment programs. Moreover, R&Rs promote the TrustLine Registry background check for license-exempt providers and assist low-income families in accessing TrustLine; gather data on child care supply and demand; and support local child care planning efforts, including initiatives to boost the supply of quality child care.¹⁸²

Key Facts:

Number of counties participating	All 58
Eligible agencies	Public or private nonprofit organizations
Number of R&Rs in California	57 agencies serving 69 geographic areas
Number of child care referrals	178,000 in FY2015–16
Funding	\$19 million in state funding in FY2016–17 ¹⁸³
Administrator	California Department of Education

4. Special Education Local Plan Areas

Special education local plan areas (SELPA) are regional consortia composed of local education agencies, such as school districts or charter schools.¹⁸⁴ They are the primary mechanism for funding and coordinating special education programs in the state, including early childhood special education programs.¹⁸⁵ SELPAs were created in the 1970s to ensure that special education programs effectively support students, teachers, and administrators. One rationale for their creation was that school districts need larger regions for special education delivery to realize economies of scale.¹⁸⁶

Each school district in California is part of a SELPA. SELPAs vary substantially in size, serving anywhere from 44 to over 82,000 students with special needs.¹⁸⁷ These consortia create identification and placement systems, budgets, service plans, and processes to ensure state and federal mandates are implemented; they do not directly offer special education classes, which are provided by school districts or regional centers.¹⁸⁸ In California, several important funding streams for early childhood special education programs, including IDEA Part B-619 for preschoolers and Part C for infants and toddlers, are allocated to local education agencies through SELPAs.¹⁸⁹

Fast Facts:

Number of SELPAs	133 ¹⁹⁰
Structure	SELPAs in California are composed of <ul style="list-style-type: none">• a consortia of districts, charter schools, and county offices of education in close geographic proximity;• a single school district; or• a consortia of charter schools.¹⁹¹
Administration	California Department of Education and California Department of Developmental Services ¹⁹²

Endnotes

1. LPI analysis of State Population by Characteristics Datasets, 2015, from the Population and Housing Unit Estimates, Population Estimates Program, U.S. States Census Bureau.
2. Shonkoff, J. P., & Phillips, D. A. (Eds.). (2000). *From neurons to neighborhoods: The science of early childhood development*. Washington, DC: National Academies Press. The Urban Child Institute (2015). Baby's brain begins now: Conception to age 3. <http://www.urbanchildinstitute.org/why-0-3/baby-and-brain> (accessed 11/30/16).
3. Yoshikawa, H., Weiland, C., Brooks-Gunn, J., Burchinal, M. R., Espinosa, L. M., Gormley, W. T., Ludwig, J., Magnuson, K. A., Phillips, D., & Zaslow, M. J. (2013). *Investing in our future: The evidence base on preschool education*. Ann Arbor, MI: Society for Research in Child Development.
4. See, for example, Phillips, D. A. et al. (2017). *The current state of scientific knowledge on pre-kindergarten effects*. https://www.brookings.edu/wp-content/uploads/2017/04/duke_prekstudy_final_4-4-17_hires.pdf; Peisner-Feinberg, E. S. et al. (2001). The relation of preschool child-care quality to children's cognitive and social developmental trajectories through second grade. *Child Development*, 72(5), 1534–53.
5. Wechsler, M., Melnick, H., Maier, A., & Bishop, J. (2016). *The building blocks of high-quality early education programs*. Palo Alto, CA: Learning Policy Institute.
6. For example, county-led home visiting programs are estimated to serve more than 40,000 children, and 55 school districts in the state reserve Title I funds for preschool. Other examples of local ECE initiatives include San Francisco's Preschool for All program, San Mateo County's Big Lift initiative, Los Angeles Unified School District's Transitional Kindergarten Expansion Program, and Fresno Unified School District's expanded investments in early learning. While these programs are an important part of the state system, they are largely excluded from this report due to their localized service areas and lack of consistent data. For additional information about these initiatives and programs, see: The Big Lift (2015). Overview. <http://www.thebiglift.org/overview#overview-01> (accessed 3/1/17); Crow, S. & Pham, H. (2014). *Helping hands: A review of home visiting programs in California*. San Francisco, CA: Next Generation; First 5 San Francisco. (n.d.) About preschool for all. <http://www.first5sf.org/programs/parents-about-preschool-all/> (accessed 3/1/17); Los Angeles Unified School District. (n.d.). Transitional Kindergarten expansion plan – Resources. <http://home.lausd.net/apps/news/article/475492> (accessed 03/01/17); New America. (2016). *California communities aiming for quality in early learning, focus: Fresno*. Washington, DC: New America; Unpublished data from the California Department of Education, Title I Program and Policy Guidance Office (personal communication, October 3, 2016).
7. Children living “in or near poverty” is the estimated number of children ages 0–5 living in households with incomes at or below 200% of the federal poverty line. LPI analysis of American Community Survey, 2015.
8. Taylor, M. (2014). *Restructuring California's child care and development system*. Sacramento, CA: Legislative Analyst's Office; On the Capitol Doorstep. (2006). A history of major legislation affecting child care and preschool funding. <http://www.otcdkids.com/OTCDHistory2006.pdf>.
9. Karoly, L., Reardon, E., & Cho, M. (2007). *Early care and education in the Golden State*. Santa Monica, CA: RAND Corporation, 104–109.
10. For example, the American Institutes for Research estimates that approximately 25% of the children in Head Start are also enrolled in other programs run by the state. Anthony, et al. (2016). *Unmet need for preschool services in California: Statewide and local analysis*. San Mateo, CA: American Institutes for Research. In the case of Special Education programs, we accounted for duplication by removing children with special needs in Head Start and state preschool from our Special Education counts.
11. Four-year-olds born between September 2 and December 2 are eligible for the program. Districts also may enroll students eligible for free and reduced-price lunch born after December 2 but before the end of the school year; however, they do not receive state funding for these students until they turn 5. A.B. 104, 2015–16 Gen. Assemb., Reg. Sess. (Ca. 2015). Retrieved from http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB104.
12. In 2015–16, only 55 of 1,497 local education agencies in California reported using Title I funds for early childhood education. Districts are not required to report their uses for Title I funds to the state, so this number may be an underestimate.

13. Annual Update of the HHS Poverty Guidelines, 81 Fed. Reg. 4036 (Jan. 25, 2016).
14. The income limit for state subsidized ECE programs has not been updated since 2011. *Management bulletin 11-06: Updated Child Development Income Ceilings*, 2011, California Department of Education.
15. California Department of Public Health. (2016). Who we serve: California Home Visiting Program. http://www.cdph.ca.gov/programs/mcah/Documents/WhoWeServe_CHVP_Spring2016.pdf (accessed 12/12/16).
16. Crow, S. & Pham, H. (2014). *Helping hands: A review of home visiting programs in California*. San Francisco, CA: Next Generation.
17. Eligibility is extended for children with special needs, typically to age 21. Enrollment figures provided in this report include only children under age 6.
18. *Head Start Performance Standards*, 45 C.F.R. §§1301–1302 (2016); Administration for Children and Families, U.S. Department of Health and Human Services. (2016). *Information memorandum CCDF-ACF-IM-2016-02: 2014 Child care reauthorization and opportunities for TANF and CCDF*.
19. Head Start, Title I Preschool, and county, city, or district-led ECE initiatives are administered locally with limited state oversight, though child care licensing and other relevant state rules still apply to providers.
20. For additional information on California’s State Advisory Council, see California Department of Education. (2016). State Advisory Council on Early Learning and Care. <http://www.cde.ca.gov/sp/cd/ce/stateadvisorycouncil.asp> (accessed 1/19/17).
21. California Department of Education. (2016). California Special Education Local Plan Areas. <http://www.cde.ca.gov/sp/se/as/caselpas.asp> (accessed 12/20/16).
22. Crow, S. & Pham, H. (2014). *Helping hands: A review of home visiting programs in California*. San Francisco, CA: Next Generation; Crow, S. & Rock, L. (2016). *New kids on the block: Findings from the first year of California’s State Preschool QRIS Block Grant*. Berkeley, CA: Opportunity Institute.
23. Karoly, L., Reardon, E., & Cho, M. (2007). *Early care and education in the Golden State*. Santa Monica, CA: RAND Corporation.
24. California Department of Education. (2016). Local child care and development planning councils. <http://www.cde.ca.gov/sp/cd/re/lpc.asp>.
25. Kaplan, A., Kramer, L., Melnick, H., & Saenz, M. (2014). *Aligning educational care for Alameda County’s preschoolers*. Oakland, CA: Alameda County Early Care and Education Planning Council.
26. Karoly, L., Reardon, E., & Cho, M. (2007). *Early care and education in the Golden State: Publicly funded programs serving California’s preschool-age children*. Santa Monica, CA: RAND Corporation; U.S. Government Accountability Office. (2016). *Child care: Information on integrating early care and education funding*. [GAO-16-775R]. Washington, DC.
27. First 5 IMPACT forges partnerships between First 5 California and counties to increase the number of high-quality early learning settings through a network of local QRISs that coordinate, assess, and improve the quality of early care and education. First 5 California. (2015). *IMPACT 101*. Sacramento, CA.
28. Due to variation in child care setting and reimbursement rates for different age groups, it is difficult to determine how much funding for voucher-based child care goes specifically to children birth to age 5.
29. First 5 Association of California. (2016). Investing in California’s children. Alameda, CA.
30. Funds also come from sliding scale family fees. Collier, M. (2015, January 13). San Francisco to expand preschool program. *EdSource*. <https://edsources.org/2015/san-francisco-to-expand-preschool-program/72818>.
31. The Early Learning Lab. (n.d.). Starting Smart and Strong. <https://earlylearninglab.org/what-we-do/starting-smart-and-strong/> (accessed 12/1/16).
32. U.S. Department of Education. Office of Elementary and Secondary Education. (2016). *Non-regulatory guidance early learning in the Every Student Succeeds Act: Expanding opportunities to support our youngest learners*. Washington, DC.
33. Includes Community College CalWORKs funding used to provide child care for student parents receiving welfare-to-work case management services through their school.
34. Includes Early Head Start, Migrant Head Start, and American Indian/Alaskan Native Head Start. Does not include required state contribution to the Head Start State Collaboration Office.

35. Includes \$145 million in General Child Care and Development funding for wraparound care to extend part-day California State Preschool Program slots to full-day slots.
36. Transitional kindergarten funding is an estimate based on Local Control Funding Formula allocations and does not reflect federal or local support, which may be substantial. Includes support for Resource & Referral agencies, Quality Rating and Improvement Systems, Quality Services, the CA Child Care Initiative, Local Planning Councils, and First 5 California “signature” quality support programs, including IMPACT.
37. Does not include local special education expenditures, which may be substantial. State funding sources include Infant Discretionary Funds, State Early Intervention Grants, and J–50 Infant Units. In 2015–16, the Department of Developmental Services spent an additional \$255 million in maintenance-of-effort funding for Early Start and Early Periodic Screening Diagnosis and Treatment (EPSDT); however, itemized program data are unavailable and some costs were billed to Medi-Cal, so these funds are not included in the table.
38. Includes support for Resource & Referral agencies, Quality Rating and Improvement Systems, Quality Services, the CA Child Care Initiative, Local Planning Councils, and First 5 California “signature” quality support programs, including IMPACT.
39. Includes Migrant Child Care and Development centers and family child care homes (CMIG) and Migrant Alternative Payment vouchers (CMAP).
40. This is likely an underestimate of local preschool spending, as Title I, Part A ECE data is a voluntary reporting requirement, and districts may draw on additional funding sources to finance their preschool programs.
41. This includes locally determined programs for children ages 0–5 including home visiting and other parent education services, developmental screening, quality rating and improvement activities, and systems investments.
42. Statewide Task Force on Special Education. (2015). *Statewide Task Force on Special Education: Finance Subcommittee report*. Sacramento, CA.
43. Legislative Analyst’s Office. Overview of California’s child care and development system. (2015). Sacramento, CA. <http://www.lao.ca.gov/handouts/education/2015/Overview-of-child-care-development-041415.pdf>. The standard reimbursement rate was also frozen at the 2007 rate, which was based on the 2005 market. These rates were updated some years based on cost of living, but they did not reflect new market research, despite the fact that market rates continued to be calculated every 2 years.
44. Taylor, M. (2014). *Restructuring California’s child care and development system*. Sacramento, CA: Legislative Analyst’s Office.
45. State funding includes Proposition 98 and non-Proposition 98 general fund support for Department of Education child care programs, community college CalWORKs, Department of Social Services CalWORKs Stage 1, and quality/infrastructure supports for early childhood education, but it does not include transitional kindergarten (which reflects a reallocation of kindergarten funds rather than a new funding source) or afterschool programs (which serve children older than age 5). Federal funding includes Child Care and Development Fund, Temporary Assistance for Needy Families/Social Services Block Grant, Head Start grants, Early Head Start–Child Care Partnership grants (including California Department of Education and local grantees), and the Race to the Top–Early Learning Challenge grant, but it does not include 21st Century Community Learning Center after-school grants.
46. EdSource. (2009). *Proposition 98 sets a minimum funding guarantee for education*. Oakland, CA.
47. LPI analysis of unpublished data from the California Department of Finance (personal communication, October 14, 2016), adjusted for inflation. California child care programs local assistance—All funds reports, 2006–2017, California Department of Finance.
48. Historically, Proposition 98 also covered child care programs with a minimum funding guarantee. In 2011 the legislature moved state-subsidized child care programs out of Proposition 98 to lower the minimum funding guarantee, “saving” around \$100 million in the process. See Young, A. (2011, July 12). Schools face uphill challenge over Prop. 98 child care shuffle. *Capitol Weekly*. <http://capitolweekly.net/schools-face-uphill-challenge-over-prop-98-child-care-shuffle/>.

49. LPI analysis of unpublished data from the California Department of Finance (personal communication, October 14, 2016), adjusted for inflation.
50. Legislative Analyst's Office. (2015). *The 2015–16 budget: Major features of the adopted plan (child care and preschool)*. Sacramento, CA.
51. The 2016–17 Budget Act included no new slots for child care programs. Taylor, M. (2016). *The 2016–17 Budget: Analysis of child care and preschool proposals*. Sacramento, CA: Legislative Analyst's Office.
52. LPI analysis of First 5 data, adjusted for inflation. *Funding levels for First 5 are projected to hit a new low of \$300 million in 2020*. (2016). Oakland, CA.
53. First 5 California. (n.d.). First 5 IMPACT. http://www.cfc.ca.gov/programs/programs_impact.html (accessed 11/22/16).
54. Taylor, M. (2016). *The 2016–17 Budget: Analysis of child care and preschool proposals*. Sacramento, CA: Legislative Analyst's Office.
55. Department of Finance. (2017). *2017–18 Governor's Proposed Budget Summary, K-12 education*. Sacramento, CA: Department of Finance.
56. Taylor, M. (2016). *The 2016–17 Budget: Analysis of child care and preschool proposals*. Sacramento, CA: Legislative Analyst's Office.
57. California Department of Education Child Development Division and Fiscal and Administrative Services Division. (2007). *Report on unspent child care funding*. Sacramento, CA: California Department of Education.
58. Low Income Investment Fund. (2010). *Child care facilities development: A report on California's readiness*. San Francisco, CA: Brion, J., & Nilsson, M. (2016). San Mateo County child care needs assessment—2015 and 2025—supply and demand analysis; BE #2513—SMC. San Mateo: Brion Economics Team. [http://www.smcoe.org/assets/files/learning-and-leadership/early-learning/Facilities/2513-Final%20SMC%20NA%20Report%20and%20Tables-June%202016\[1\].pdf](http://www.smcoe.org/assets/files/learning-and-leadership/early-learning/Facilities/2513-Final%20SMC%20NA%20Report%20and%20Tables-June%202016[1].pdf).
59. The survey is conducted in select ZIP codes, which are then matched to ZIP codes that have similar socioeconomic characteristics (e.g., similar housing costs, population density, and employment rates).
60. The Regional Market Rate funds programs initially designed to support working parents, whereas the Standard Reimbursement Rate funds programs aimed at enhancing child development. Cohen, A. J. (1996). A brief history of federal financing for child care in the United States. *The Future of Children*, 6(2), 26–40.; Barnett, W. S., Friedman-Krauss, A. H., Gomez, R., Horowitz, M., Weisenfeld, G. G., Brown, K. C., Squires, J. H. (2015). *The State of Preschool 2015*. New Brunswick, NJ: National Institute for Early Education Research.
61. LPI analysis of the following sources: Management Bulletin 16–11, 2016–17, California Department of Education; Education Code Section 8265.5; CalWORKs Child Care Programs RMR Ceilings, August 2016, California Department of Social Services.
62. *Education Budget—Cal Ed Facts*. November 2014. California Department of Education. Retrieved from <http://www.cde.ca.gov/fg/fr/eb/cefedbudget.asp> (accessed 3/31/17.)
63. Statewide task force on Special Education. (2015). *One system: Reforming education to serve ALL students, Report of California's statewide task force on Special Education*. (2015). Sacramento, CA: Sacramento County Office of Education.
64. National Institute for Early Education Research. (2017). California Head Start & Early Head Start 2014–2015 Overview. http://nieer.org/wp-content/uploads/2016/12/HS_California_Profile.pdf (accessed 3/31/17).
65. The average cost of center-based care for infants is \$13,327 per year, 46% more than the \$9,106 average for preschool care. The average cost of home-based care for an infant in California is \$8,462, nearly 8% more than the average for a preschooler, which is \$7,850.
66. The Regional Market Rate is also about 40% higher for infants and toddlers than preschoolers, with infants and toddlers receiving the same rate. *Reimbursement fact sheet Fiscal Year 2015–16*, 2015, California Department of Education. <http://www.cde.ca.gov/sp/cd/op/factsheet15.asp> (accessed 3/31/17);

CalWORKs Child Care Programs RMR Ceilings, August 2016, California Department of Social Services. Regional Market Rates reflect the monthly, full-time rate.

67. Child Care Aware. (2016). *Parents and the high cost of child care*. Arlington, VA.
68. Children birth to age 3 who are not income eligible for Head Start but do have family incomes below 70% State Median Income are only eligible for services if their parents work, are seeking work, are in school, or are incapacitated. We estimate that nearly 140,000 more children birth to age 3 would be eligible for services if these work requirements were lifted, as they are for 3- and 4-year-olds, since there is no work requirement for state preschool.
69. Data for transitional kindergarten were not available for 2015–16 as of February 2017. The Legislative Analyst’s Office estimates that 80,073 students were eligible in 2015–16, given the population growth of this age group, and we estimate that over 120,000 children had birthdates within the transitional kindergarten window. As is noted in Appendix C, we used LAO’s estimated enrollment. However, the program may have expanded more than would be expected from population growth alone. In 2015, the California Education Code was updated to clarify that districts can enroll children who turn 5 after the December 2 cutoff, provided that the district absorbs the programmatic cost until the child turns 5. Accordingly, some California districts have increased enrollment through this “expanded transitional kindergarten” option.
70. This analysis does not include children enrolled in Alternative Payment programs because these programs are not held to educational standards. The percentage of 4-year-olds reflects 2014–15 enrollment and does not include slots added in the 2015–16 budget. LPI analysis of Anthony, J., Muenchow, S., Arellanes, M., & Manship, K. (2016). *Unmet need for preschool services in California: Statewide and local analysis*. San Mateo, CA: American Institutes for Research.
71. Children who turn 5 from September 2 to December 2 (those age-eligible for transitional kindergarten) are excluded from this chart. Because these children were eligible for public kindergarten until 2012, including enrollment in transitional kindergarten would have skewed longitudinal comparisons.
72. For a family of three, \$40,000 is around 200% of the federal poverty level. California Resource and Referral Network. (2015). *California: Family & Child Data*. San Francisco, CA.
73. Management Bulletin 11–06: Updated Child Development Income Ceilings, 2011, California Department of Education.
74. Graves, S. (2016). Fact sheet: *The income eligibility limit for California’s child care and development system remains outdated*. Sacramento, CA: California Budget & Policy Center.
75. Families receiving subsidy are required to report all changes in income and may lose services if they exceed the eligibility threshold. The reauthorized federal Child Care Development and Block Grant—a significant source of funding for child care subsidies in California—intends to address this challenge by requiring states to create a policy that would allow families to retain their subsidy following small increases in income, up to 85% of the State Median Income. California has yet to adopt legislation to comply with this requirement statewide. Minton, S., Stevens, K., & Blatt, L. (2016). *Implications of child care and development block grant reauthorization for state policies*. Washington, DC: Urban Institute; Graves, S. (2016). Fact sheet: *The income eligibility limit for California’s child care and development system remains outdated*. Sacramento, CA: California Budget & Policy Center; California State Legislature, Senate Committee on Human Services. (2016). *Bill analysis: AB 2368*. Retrieved from http://www.leginfo.ca.gov/pub/15-16/bill/asm/ab_2351-2400/ab_2368_cfa_20160624_160400_sen_comm.html (03/01/2017).
76. This analysis includes enrollment in full-day state preschool, General Child Care and Development, and all Alternative Payment programs. It does not include enrollment in part-day programs, or in full-day Head Start or transitional kindergarten. Schumacher, K. (2016). *Over 1.2 million California children eligible for subsidized child care did not receive services from state programs in 2015*. Sacramento, CA: California Budget & Policy Center.
77. Child Care Aware of America. (2016). *Parents and the high cost of child care*. Arlington, VA.
78. California Child Care Resource & Referral Network. (2015). *The 2015 child care portfolio*. San Francisco, CA.
79. About 75% of child care programs (Alternative Payment program, CalWORKs 2 and 3, General Child Care

and Development, and migrant programs) report full-day attendance. CDE reports full day as more than four hours, so the number of children receiving close to a full school or work day is unknown.

80. Enchautegui, M. E., Johnson, M. C., & Gelatt, J. (2015). *Who minds the kids when mom works a nonstandard schedule?* Washington, DC: Urban Institute.
81. California Child Care Resource & Referral Network. (2015). *The 2015 child care portfolio*. San Francisco, CA: Child Care Resource & Referral Network.
82. Anthony, J., Muenchow, S., Arellanes, M., & Manship, K. (2016). *Unmet need for preschool services in California: Statewide and local analysis*. San Mateo, CA: American Institutes for Research.
83. Anthony, J., Muenchow, S., Arellanes, M., & Manship, K. (2016). *Unmet need for preschool services in California: Statewide and local analysis*. San Mateo, CA: American Institutes for Research.
84. These estimates are based on income eligibility alone and include children from birth to age 14. Low income was defined as 200% of the federal poverty level, which is close to 70% of State Median Income, the state's eligibility cutoff. Enrollment includes enrollment in state preschool, General Child Care and Development, Alternative Payment programs, but excludes Head Start and transitional kindergarten. Taylor, M. (2014). *Restructuring California's child care and development system*. Sacramento, CA: Legislative Analyst's Office.
85. Advancement Project. (2015). *The early care and education landscape in Los Angeles County: Access, workforce, and quality*. Los Angeles, CA: Advancement Project.
86. There are approximately 1.5 million children ages 0–3 and 1 million children ages 3–4 in California. LPI analysis of State Population by Characteristics Datasets, 2015, from the Population and Housing Unit Estimates, Population Estimates Program, U.S. Census Bureau.
87. Enrollment in CalWORKs Stage I is excluded due to differences in data reporting. CalWORKs Stage I served 6,669 children under age 2 and 19,598 children ages 2 to 6 in October 2015. CW 155 child care monthly report, 2016, California Department of Social Services.
88. Forry, N. D., Tout, K., Rothenberg, L., Sandstrom, H., & Vesely, C. (2013). *Child care decision-making literature review*. Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services.
89. Referrals are given for children of all ages. California Child Care Resource & Referral Network. (2015). *2015 California child care portfolio*. San Francisco, CA.
90. Program Evaluation Process 5 CCR § 18279, 5 CA ADC § 18279.
91. Administration of Children and Families, U.S. Department of Health and Human Services. (n.d.). Head Start policy and regulations. <http://eclkc.ohs.acf.hhs.gov/policy/45-cfr-chap-xiii>.
92. LPI analysis of *Child care data reports, 2015–16*, California Department of Education; *CW 115 child care monthly report*, October 2015, California Department of Social Services.
93. Wechsler, M., Melnick, H., Maier, A., & Bishop, J. (2016). *The building blocks of high-quality early education programs*. Palo Alto, CA: Learning Policy Institute.
94. The reauthorized Child Care and Development Block Grant requires enhanced background checks and additional health and safety training requirements and standards for all subsidized child care providers, including those who are license-exempt. California has until September 30, 2017, to meet requirements for background checks and health and safety trainings, and has until October 1, 2018, to fully implement the new health and safety standards. U.S. Department of Health and Human Services. (2016). *California child care and development fund (CCDF) plan with conditional approval letter for FY 2016–2018*. Washington, DC: U.S. Department of Health and Human Services, Office of Child Care.
95. Includes 2015–16 enrollment in state preschool, Head Start, General Child Care and Development, CalWORKs I, II, and III, and non-CalWORKs Alternative Payment programs as well as 2014–15 data for transitional kindergarten. General Child Care and Development, CalWORKs, and non-CalWORKs Alternative Payment programs include children ages 0–12.
96. Whitebook, M., McLean, C., & Austin, L. J. E. (2016). *Early Childhood Workforce Index 2016: California*. Berkeley: Center for the Study of Child Care Employment, University of California.

97. Whitebook, M., Phillips, D., & Howes, C. (2014). *Worthy work, STILL Unlivable Wages: The Early Childhood Workforce 25 Years after the National Child Care Staffing Study*. Berkeley, CA: Center for the Study of Child Care Employment, University of California. <http://ffyf.org/wp-content/uploads/2014/11/Child-Care-Employment-Report-11.18.14.pdf>; Podolsky, A., Kini, T., Bishop, J., & Darling-Hammond, L. (2016). *Solving the teacher shortage: How to attract and retain excellent educators*. Palo Alto, CA: Learning Policy Institute. <https://www.learningpolicyinstitute.org/product/solving-teacher-shortage>.
98. *Working in early care and education in North Carolina*. (2013). Chapel Hill. Whitebook, M., & Sakai, L. (2001). *Turnover begets turnover: An examination of job and occupational instability among child care center staff*. Berkeley, CA.
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128. For state preschool, General Child Care and Development, and Alternative Payment programs (excluding CalWORKs 1), estimates are based on the monthly average of enrollment in October 2015 and April 2016. This is the closest estimate we have to the number of children enrolled at any point in time.
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134. Eleven- and 12-year olds are served in Stage 1 if funds are available and if a before- or after-school program does not meet the family's need for care. Children with special needs are eligible to be served from ages 13–21.
135. Data are for CalWORKs 2 and 3, as data are not available for CalWORKs 1.
136. The state also provides \$9.2 million for Community College CalWORKs and \$5 million for TrustLine and Self-Certification.
137. California community colleges may also provide CALWORKs child care.
138. Children with special needs remain eligible until 21 years of age.
139. Enrollment data are for funded enrollment slots. "Funded enrollment" refers to the number of children supported by federal Head Start funds in a program at any one time during the program year. This differs from the "cumulative enrollment" which is the actual number of children that Head Start programs serve over the course of the entire program year; these cumulative enrollment figures are typically higher than funded enrollment for Head Start due to children leaving the program midyear.
140. Home visiting program also includes group socialization activities. Calculations categorize all family child care home slots as full day and all combination slots as part day.
141. For fiscal year 2015. Administration for Children and Families. (n.d.) *Head Start program facts: Fiscal year 2015*.
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through a competitive process for three years at a time. Currently, there are seven counties participating in the program.

143. Includes General Child Care and Development funding for state preschool wraparound full-day care.
144. Enrollment data are for funded enrollment slots. “Funded enrollment” refers to the number of children supported by federal Head Start funds in a program at any one time during the program year. This differs from the “cumulative enrollment,” which is the actual number of children that Head Start programs serve over the course of the entire program year; these cumulative enrollment figures are typically higher than funded enrollment for Head Start due to children leaving the program midyear.
145. Home visiting program also includes group socialization activities. Calculations categorize all family child care home slots as full day and all combination slots as part day.
146. Data are from 2014–15, the most recent estimate available. A total of 34,137 receive interventions outside of Early Head Start.
147. Includes Infant Discretionary Funds and State Early Intervention Grants.
148. Enrollment data are for funded enrollment slots. “Funded enrollment” refers to the number of children supported by federal Head Start funds in a program at any one time during the program year. This differs from the “cumulative enrollment,” which is the actual number of children that Head Start programs serve over the course of the entire program year; these cumulative enrollment figures are typically higher than funded enrollment for Head Start due to children leaving the program midyear.
149. Home visiting program also includes group socialization activities. Calculations categorize all family child care home slots as full day and all combination slots as part day.
150. Figure is an estimate; because Migrant and Seasonal Head Start programs can serve children across state lines and children may be served in multiple states in a given year, individual state enrollment estimates may not be precise.
151. Funding for services follows families as they move from place to place for agricultural work.
152. Information is for both Migrant Alternative Payment and Child Care and Development programs; data are not available by individual program.
153. Data are from 2014–15, the most recent estimate available. A total of 34,552 are enrolled in a Special Education program outside of Head Start or State Preschool.
154. Reported spending may be incomplete due to voluntary reporting requirements and does not include local preschool funding.
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