

The 2021-22 Budget: Transitional Kindergarten Expansion Package

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Background

School Districts Offer Transitional Kindergarten (TK) to Certain Students. Under state law, TK is the first year of a two-year kindergarten program. School districts can enroll students in a TK program if the student has their fifth birthday between September 2 and December 2 of that school year. Similar to all other K-12 students, TK students generate attendance-based funding through the Local Control Funding Formula (LCFF). In 2018-19, 91,000 students in California were enrolled in TK.

Districts Have Option to Serve Younger Children in TK. School districts also have the option to provide TK to students who are born after December 2, but have their fifth birthday during the school year. School districts only receive attendance-based funding for these students after the student turns five.

State Also Funds Preschool Program for Low-Income Children. The state also funds State Preschool, which provides preschool to low-income, three- and four-year olds. In 2018-19, 143,000 three- and four-year olds were enrolled in State Preschool. **Figure 1** on the next page shows the key characteristics of TK and State Preschool.

Governor's Master Plan Includes Goal to Provide Universal Preschool to All Four-Year Olds. In December 2020, the Governor released a master plan for early learning and care. One of the goals within the master plan is to provide all of California's income-eligible three-year-olds and all four-year olds with access to preschool. The first step of the plan is to implement common standards for State Preschool and TK to create a unified preschool program. The second step is to expand TK for all four-year olds, first prioritizing four-year olds in high-poverty areas. The third step is to phase in preschool for all income-eligible three-year olds.

Governor's Budget

Provides \$500 Million One Time to Support Transitional Kindergarten Expansion. The Governor's budget includes three proposals intended to begin implementing the preschool goals set in his master plan for early learning and care. These proposals include:

- \$250 million one-time Proposition 98 General Fund for per-pupil grants to school districts that will serve additional TK students who have their fifth birthday after December 2. Funds would be distributed through a competitive grant process that gives priority to districts primarily based on the need for expanded access to TK. The Governor proposes a multiyear effort, with 2021-22 serving as a planning year where school districts would apply for the grants. Selected school districts would then receive funding for the year-over-year increase in TK students served in the 2022-23 school year, and would receive per-pupil grants equivalent to half of the LCFF rate. If a school district meets its TK expansion goal in 2022-23, it will continue to receive additional per-pupil funding for increases in TK enrollment in 2023-24. Funds in 2023-24 may be prorated based on the availability of funds.
- \$200 million one-time non-Proposition 98 General Fund to construct or retrofit existing TK facilities. If any funds are not awarded by the second year of the program, funds could also be awarded for full-day kindergarten facilities. The proposed funding would have similar rules and requirements to the Full-Day Kindergarten Facilities Grant Program funded in 2018-19. For example, grants will be prioritized for school districts that meet financial hardship criteria or have a high

Figure 1

Key Characteristics of Preschool Programs

	Transitional Kindergarten	State Preschool
Age	Four-year olds with birthdays between September 2 and December 2, with option to serve some younger students.	Three- and four-year olds.
Income Eligibility	None.	A family of three must generally earn at or below \$73,885.
Program Duration	Must operate at least 180 days per year, at least three hours per day but determined by district.	Must operate at least 246 days per year, 6.5 hours per day for full-day program; at least 175 days per year, 3 hours per day for part-day program.
Work Requirement	None.	None for the part-day program. Working families are prioritized for the full-day program.
Staffing Ratio	1 to 33 maximum teacher-child ratio.	1 to 24 maximum teacher-child ratio and 1 to 8 maximum adult-child ratio.
Funding Source	Proposition 98 General Fund.	Proposition 98 and Non-Proposition 98 General Fund.
Providers	School districts.	School districts, county offices of education, community colleges, and community-based organizations.
Teacher Requirements	Bachelor’s degree, multiple subject teaching credential, and a Child Development Teacher Permit or at least 24 units of ECE/CD or comparable experience. ^a	Child Development Teacher Permit (24 units of ECE/CD plus 16 general education units).

^a Child Development requirements effective August 1, 2021.
ECE/CD = Early Childhood Education/Child Development.

population of students eligible for free or reduced-price meals.

- \$50 million one-time Proposition 98 to provide professional development to increase the number of teachers able to serve TK students and improve the quality of existing TK and kindergarten teachers. Funds will be distributed to county offices of education, school districts or charter schools based on a competitive process developed by the state Superintendent of Public Instruction, subject to the approval of the executive director of the State Board of Education.

LAO Comments

Consider if Legislature’s Priorities Align With Governor’s. The Legislature has historically taken action to expand access to preschool. The

Governor’s proposal differs from recent legislative action by expanding access through TK instead of State Preschool. How the Legislature may want to go about preschool expansion depends on its own specific goals. For example, if the Legislature wants to offer one year of public preschool to all students, then TK could be a better path to expansion. The state could use school district catchment areas as a way to ensure that all eligible children have access to a TK program. If the Legislature wants to offer preschool to three- and four-year olds from low-income families, then the State Preschool program could be a better path to expansion. State Preschool already serves a large number of students from low-income families across the state.

TK Expansion Requires Ongoing Funding. Although school districts expanding TK likely would incur some one-time costs (such as making facilities suitable for TK instruction), most of

the costs associated with TK (such as paying for additional teachers) are ongoing. Under the Governor's proposal it is unclear how school districts would sustain programs after 2023-24, when the proposed one-time incentive grants expire. Furthermore, based on our conversations with several school districts, limited-term funding is unlikely to be an incentive for school districts to expand their TK programs. A much greater incentive to achieve universal preschool for four-year olds would be to allow school districts to generate a full year of attendance-based funding for children born after December 2. This approach, however, would require an increase in ongoing funding. Moreover, to achieve universal access to preschool through the TK program, the state would also have to allow school districts to generate attendance-based funding for children who turn five after the school year ends.

State Likely Could Sustain Ongoing Costs to Expand TK, but Would Limit Other Education Augmentations. Rather than provide one-time funding, the Legislature could provide ongoing funding to expand the TK program, over multiple years, to serve all four-year olds. At full implementation, we estimate this approach would cost roughly \$3 billion more than current spending on TK. Based on the administration's multiyear outlook and associated projections of the Proposition 98 minimum guarantee—and accounting for changes in attendance and cost of living—we think the state would be able to cover the costs of TK expansion within growth in the minimum guarantee. Were the state to take such an approach, however, it likely would be unable to cover the cost of any other major ongoing programmatic K-12 augmentations over the next several years.

TK Expansion Will Have Sizeable Impact on State Preschool. If the Governor's proposal were to successfully encourage school districts to offer TK to younger students, it would significantly affect State Preschool enrollment. Although State Preschool programs can serve younger students, 63 percent of statewide enrollment comes from four-year olds. In some school districts, TK expansion could shift capacity to serve four-year olds from State Preschool to TK, instead of

increasing the total number of children served. This is particularly the case in school districts that currently use classrooms on elementary school campuses for State Preschool. If the Legislature is interested in expanding preschool access through TK, it may want to clarify the role of the State Preschool program and make associated programmatic changes. For example, the Legislature could decide its intent is for all four-year olds to attend TK, with State Preschool and other child care programs providing before and after school care. The Legislature could instead decide to give low-income families the choice of attending TK or State Preschool. Alternatively, the Legislature could direct State Preschool to exclusively serve three-year olds. Clarifying the role of State Preschool would ensure the state's existing programs operate in alignment to best serve children and their families.

Some One-Time Support Seems Reasonable to Support Districts in Meeting Expansion Requirements. If the Legislature is interested in expanding TK, providing one-time funds will likely help some districts to expand their TK programs. For example, facility expansion support seems reasonable as school districts would likely need to modify existing facilities or construct new facilities suitable for TK. TK and kindergarten facilities have additional requirements compared to other school facilities, such as restrooms that must be self-contained in the classroom or separate from those of older students. One-time support would also help additional teachers meet the statutory requirements for TK teachers. (In addition to an elementary teaching credential, starting August 2021, TK teachers are required to have either 24 units in early childhood education and/or child development, a child development permit, or comparable experience in a classroom setting.) If the Legislature is interested in changing programmatic requirements to the TK program (as alluded to in the Governor's master plan), one-time funds could be helpful to support districts in meeting those requirements. To be most effective, funds should be aligned and restricted towards meeting these specific requirements.

LAO Publications

This report was prepared by Sara Cortez, and reviewed by Edgar Cabral and Anthony Simbol. The Legislative Analyst's Office (LAO) is a nonpartisan office that provides fiscal and policy information and advice to the Legislature.