



2023-24 California State Budget Proposal Summary: Early Learning and Care Investments

Full Summary: <https://ebudget.ca.gov/FullBudgetSummary.pdf>

Transitional Kindergarten (TK):

- Continues expansion of universal TK with **\$690 million** to implement the second year of TK, which will increase access to the program to all children turning five years old between September 2 and April 2 (approximately 46,000 children). Full implementation of universal TK is slated for the 2025-26 school year.
- **\$165 million** to support the addition of one additional certificated or classified staff person in TK classrooms serving these students to continue to implement 12:1 ratios in TK classrooms.

California State Preschool:

- **\$64.5 million** Proposition 98 General Fund and **\$51.8 million** General Fund to continue a multi-year plan to ramp up the inclusivity adjustment factor for students with disabilities in the State Preschool Program. The 2023-24 year will be the second year of the three-year ramp up process, and students with disabilities will be required to make up at least 7.5 percent of State Preschool Program providers' enrollment increasing to at least 10 percent by July 1, 2024.
- **\$152.7 million** General Fund to support reimbursement rate increases previously supported by available one-time federal stimulus funding.
- **\$63.3 million** General Fund and **\$112 million** Proposition 98 General Fund to support an 8.13 percent statutory cost-of-living adjustment.
- **\$763,000** Proposition 98 General Fund to support the preschool Classroom Assessment Scoring System.
- Delays the implementation of the annual **\$10 million** General Fund to support the Preschool Inclusion Grants by two years, from 2022-23 to 2024-25. The Budget maintains the grant program on an ongoing basis beginning in 2024-25.

Child Care:

- Sustains over **\$2 billion** annualized to expand subsidized child care slot availability.
 - The Budget maintains the commitment initiated as part of the 2021 Budget Act to continue funding 110,500 new subsidized child care slots added in 2021-22 and another 36,000 new slots added in 2022-23, with the goal of eventually funding over 200,000 expanded slots. However, thousands of newly available slots since 2021-22 have not yet been filled. To accommodate the time necessary to utilize recent slot expansions, the Budget assumes that 20,000 new slots that would have been funded in 2023-24 will instead be funded in 2024-25.



- **\$301.7 million** General Fund for Child Care and Development Programs and **\$1.5 million** for the Child and Adult Care Food Program to reflect an estimated statutory COLA of 8.13 percent.
- Commitment to develop and implement a single reimbursement rate structure: The state will rely on the presented approach developed by the Rate & Quality Workgroup convened in the summer and fall of 2022 as it continues to develop a single rate structure.
- The state will continue to work with Child Care Providers United (CCPU) to negotiate a successor agreement to the current agreement expiring June 30, 2023.

CA Preschool, TK, and Full Day Kindergarten (FDK) Facilities Grant Program:

- Delays the 2023-24 planned **\$550 million** FDK Program investment to 2024-25.

Golden State Education and Training Grant Program Expenditure Shift:

- Shifts the **\$100 million** General Fund provided for this program to be spent 2021-22 will be delayed to instead be spent in 2024-25 and that **\$200 million**, **\$100 million**, and **\$100 million** would be expended in fiscal years 2024-25, 2025-26, and 2026-27, respectively.

Relevant K-12 Investments:

- 8.13% COLA for the Local Control Funding Formula (LCFF).
- **\$1.4 billion** in one-time resources.
- **\$669 million** ongoing Proposition 98 General Fund to reflect an 8.13 percent COLA for categorical programs that remain outside of the LCFF, including Special Education, Child Nutrition, State Preschool, Youth in Foster Care, Mandates Block Grant, Adults in Correctional Facilities Program, Charter School Facility Grant Program, American Indian Education Centers, and the American Indian Early Childhood Education Program.