

## Early Education Block Grant

Funding for California's pre-kindergarten education has historically been spread among a patchwork of programs and funding sources, including approximately \$880 million for the California State Preschool Program, \$725 million Proposition 98 General Fund for transitional kindergarten, and \$50 million Proposition 98 General Fund for the Preschool Quality Rating and Improvement System. There is also \$985 million in federal funds for the Head Start Program, which serves children ages zero to five, and \$300 million in a mix of General Fund and federal Child Care and Development Fund for the state's General Child Care and Migrant Child Care programs for children ages zero to five.

Local educational agencies face many administrative and programmatic challenges and are hindered in their ability to construct programs that align with the needs of their local communities. Each program is subject to different fiscal and programmatic requirements (e.g., State Preschool, General Child Care, and federal Head Start funding are provided via prescriptive contracts with unaligned requirements for data reporting, auditing, and enrollment). As such, these programs do not provide local educational agencies with the flexibility to develop cohesive pre-kindergarten programs that prioritize services for the state's lowest income and most at-risk children. Further, transitional kindergarten provides services for children in a narrow age window, regardless of their family's income or need for additional services.

To address these significant issues, the Budget proposes consolidating some of these resources to better target services to low-income and at-risk children and their families. Specifically, the Budget proposes a \$1.6 billion early education block grant for local educational agencies that combines Proposition 98 funding from the State Preschool Program, transitional kindergarten, and the Preschool Quality Rating and Improvement System Grant.

This proposal will result in greater local financial flexibility. Local education officials will be able to develop programs that a services for their community's lowest-income and most at-risk children. Building upon the core fiscal tenets of the Local Control Funding Formula, block grant funding will be distributed based on factors such as population and need to ensure that funds are provided equitably to schools with large populations of disadvantaged children; however, no local educational agency will receive less funding under the block grant than it received under the prior funding models.

The Administration will engage stakeholders on the development of the block grant throughout the spring budget process to develop additional program details by the May Revision. Working from the concepts of the Local Control Funding Formula, the Administration is pursuing the following objectives:

- Expanding financial flexibility that prioritizes services for each community's lowest-income and most at-risk four- and five-year-old children.
- Distributing any new funding based on factors such as local demographics and financial need, while ensuring no local educational agency receives less funding under the block grant than it received under the prior pre-kindergarten programs.
- Providing each local educational agency with the discretion to implement pre-kindergarten education programs that align funding with local priorities.
- Streamlining administrative processes.
- Integrating and aligning accountability within a local educational agency's current Local Control and Accountability Plan.