

Overview of the Governor's Early Education Budget



Presented to:

**California Alternative Payment Program
Association**

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About the LAO

➤ **Nonpartisan Advisor to Legislature**

➤ **Key Responsibilities:**

- Analyze Governor's budget proposals
- Publish special reports on fiscal and policy issues
- Forecast state revenues and expenditures

Early Education Budget

(Dollars in Millions)

	2017-18 Revised	2018-19 Revised ^a	2019-20 Proposed	Change from 2018-19	
				Amount	Percent
Expenditures					
CalWORKs Child Care					
Stage 1	\$323	\$292	\$276	-\$16	-5.5%
Stage 2 ^b	504	560	597	37	6.6%
Stage 3	339	399	482	84	21.0%
Subtotals	(\$1,167)	(\$1,250)	(\$1,355)	(\$105)	(8.4%)
Non-CalWORKs Child Care					
General Child Care ^c	\$340	\$412	\$457	\$45	10.9%
Alternative Payment Program	292	530 ^d	340	-189	-35.8%
Bridge program for foster children	20	41	45	4	9.8%
Migrant Child Care	35	40	45	5	12%
Care for Children With Severe Disabilities	2	2	2	— ^e	2.6%
Subtotals	(\$349)	(\$1,024)	(\$889)	-\$136)	-(13.3%)
Preschool Programs^f					
State Preschool—full day	\$738	\$804	\$977	\$173	21.5%
State Preschool—part day ^g	503	538	552	14	2.6%
Transitional Kindergarten ^h	808	861	890	29	3.3%
Preschool QRIS Grant	50	50	50	—	—
Subtotals	(\$2,098)	(\$2,253)	(\$2,468)	(\$215)	(9.5%)
Support Programs	\$91	\$144	\$629	\$485	336.1%
Totals	\$3,704	\$4,672	\$5,341	\$669	14.3%

Early Education Fund Sources

(Dollars in Millions)

Funding	2017-18 Revised	2018-19 Revised ^a	2019-20 Proposed	Change from 2018-19	
				Amount	Percent
Proposition 98 General Fund	\$1,930	\$2,077	\$1,865	-\$211	-10.2%
Non-Proposition 98 General Fund	746	1,417	2,524	1,107	78.1%
Federal CCDF	635	857	639	-218	-25.4%
Federal TANF	388	311	298	-13	-4.1%
Federal Title IV-E	5	10	14	4	41.3%

2019-20 Changes in Child Care and Preschool Spending

(In Millions)

Change	General Fund			Total
	Prop. 98	Non-Prop. 98	Federal Funds	
Slots				
Provides 10,000 full-day Preschool slots at non-LEAs starting July 1, 2019	—	\$125	—	\$125
Annualizes cost of State Preschool slots initiated April 1, 2019	\$27	—	—	\$27
Annualizes 2,100 Alternative Payment slots initiated September 1, 2018	—	\$3	—	\$3
Reduces non-CalWORKs slots by 0.89 percent ^a	-\$11	-\$10	—	-\$20
Uses 2018-19 funds for 11,307 Alternative Payment slots ^b	\$0	\$0	-\$205	-\$205
Subtotals	(\$16)	(\$118)	(\$205)	(\$70)
Reimbursement Rates				
Provides 3.46 percent COLA to certain child care and preschool programs	\$41	\$39	—	\$79
Annualizes increase to certain adjustment factors initiated January 1, 2019	\$0	\$40	—	\$40
Subtotals	(\$41)	(\$78)	(\$0)	(\$119)
Other				
Funds one-time workforce development initiative	—	\$245	—	\$245
Funds one-time infrastructure initiative	—	\$245	—	\$245
Funds one-time blueprint initiative	—	\$10	—	\$10
Makes CalWORKs caseload and average cost of care adjustments	—	\$116	-\$13	\$103
Adjusts Transitional Kindergarten for attendance and LCFF funding rate	\$29	—	—	\$24
Shifts all part-day State Preschool slots at non-LEAs out of Proposition 98	-\$297	\$297	—	\$0
Replaces state funds with federal funds (accounting adjustment)	—	-\$2	\$2	\$0
Removes one-time increase to quality services	—	—	-\$16	-\$16
Makes other technical adjustment	—	—	\$4	\$0
Subtotals	-\$268)	(\$911)	-\$22)	(\$616)
Totals	-\$211	\$1,107	-\$227	\$669

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