



CHILD CARE LAW CENTER

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Expansions in Preschool and Facilities Funds

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The following is a brief and initial summary of the expansion of preschool programs and facilities fund resulting from the recently concluded state legislative session. We expect that further clarifications and regulations will need to be made by the state superintendent and the Department of Education.

AB 172 (Chan) Expands Preschool in Areas with Low Performing Schools

On September 7, Governor Schwarzenegger signed AB 172 which provides a total of \$55 million in new funds; \$50 million for a preschool and family literacy program and \$5 million for child care wraparound services. The funds are targeted to new and existing state preschool programs in the attendance areas of elementary schools with scores in the lowest three deciles of the 2005 Academic Performance Index. The program also:

- Sets eligibility at the income eligibility threshold for state preschool, but allows programs that are unable to fill all the anticipated slots to expand eligibility to allow participation by a limited number of children in families above this threshold.
- Reimburses programs at the same rate as existing state preschool programs.
- Children are eligible who would attend kindergarten in the subsequent academic year. Priority shall be given to children from families with lowest income.
- Defines a part-day general child care programs to complement the part-day preschool program, and directs the Superintendent of Public Instruction to encourage, but not require, participating providers to offer full-day services.
- Allocates \$5 million for child care services for children in participating programs for the portion of the day not covered by the preschool program.
- Allocates \$5 million of the \$50 million at \$2500 per participating classroom to provide staff development, offer family literacy services, provide instructional materials and support local educational agency coordinators.
- Allows Local Educational Agencies, on behalf of participating programs, to select a coordinator with responsibility for coordinating provision of literacy services, partnering with adult education programs and promoting parental involvement.
- Requires a report to the Legislature at budget hearings on the number and age of all children served, including the number of children above the income eligibility threshold.

Augmentation of Funding for Facilities in the Revolving Loan Fund

The 2006-07 Budget Trailer Bill (a large, detailed piece of legislation that makes necessary changes to existing law and regulation in order to allocate the funds authorized in the budget) transferred \$50 million in one-time funds to the Child Care Revolving Loan Fund. The new

money is to address facilities needs created by the expansion of preschool programs in AB 172. Funding is available through the Revolving Loan Fund for:

- renovation, repair or improvement of an existing building, or
- purchase of new relocatable facilities.

Since regulations have not been issued for the Revolving Loan Fund, there will need to be guidance from CDE on how these important new resources can be effectively used. The California Department of Education has the discretion to change current policies such as the current \$150,000 cap on loans and the lack of loans available for renovation and repair of existing “stick built” facilities.

For more information, please contact CCLC at 415-394-7144.