

California State Assembly



Agenda

**Assembly Budget Subcommittee No. 2
on Human Services
and
Assembly Budget Subcommittee No. 3
on Education Finance**

Assemblymembers Dr. Corey Jackson & David Alvarez, Chairs

Wednesday, April 8, 2026

1:00 P.M. – State Capitol, Rm 444

JOINT HEARING

ITEMS TO BE HEARD		
Item	Description	Page
5180	California Department of Social Services	2
6100	California Department of Education	2
Issues	<ol style="list-style-type: none">1. The State of Preschool2. Universal Transitional Kindergarten Oversight & Proposals3. Childcare & Preschool Quality Improvement & Workforce Support4. Reading Difficulties Screener & Professional Development	<ol style="list-style-type: none">271216

Public Comment will be taken in person after the completion of all panels and any discussion from the Members of the committees.

Items To Be Heard

5180 California Department of Social Services
6100 California Department of Education

Issue 1: The State of Preschool

This panel will provide an update on key objectives of the California Master Plan for Early Learning and Care, in the context of the January Budget: universal preschool access.

Panel

- Hanna Melnick, Learning Policy Institute (LPI)
- Lupe Jaime-Mileham, California Department of Social Services (DSS)
- Stephen Propheeter, California Department of Education (CDE)
- Melanie Dodson, 4C's Sonoma
- Andrea Fernandez Mendoza, California Children's Academy
- Alexa Frankenberg, California Child Care Providers United
- Carmen Perez, Parent Voices

Background

The Master Plan

Published in December 2020, the California Master Plan for Early Learning and Care was intended to provide a concrete and prioritized roadmap for state investments through 2030. The Master Plan outlines four key objectives, tied to specific recommendations:

"To achieve this vision by 2030, the Master Plan focuses on four key objectives:

- *Improve the life outcomes of infants and toddlers by providing comprehensive early learning and care.*
- *Ensure that all families can easily identify and access a variety of quality early learning and care choices that fit the diverse needs of their children, their financial resources, and workday and nonstandard schedules.*
- *Promote school readiness through preschool for all three-year-old children experiencing poverty and universally for all four-year-old children.*
- *Advance better outcomes for all children by growing the quality, size, and stability of the early learning and care workforce through improved and accessible career pathways, competency-based professional development supports, and greater funding.*

To achieve these objectives, the Master Plan has identified four policy goals that set high standards, create cohesion, fill gaps, and foster sustainability:

- 1. Unify programs to improve access and equity. Streamline requirements for birth through age three programs, providing access to care and learning for all three-year-olds experiencing poverty, and providing universal preschool access to all four-year-olds.*
- 2. Support children’s learning and development by enhancing educator competencies, incentivizing, and funding career pathways, and implementing supportive program standards. Enhance standards and provide affordable and accessible pathways for the entire workforce to advance in their competency and compensation.*
- 3. Unify funding to advance equity and opportunity. Adopt a new reimbursement and rate model that brings all types of care and learning support into one structure that acknowledges costs associated with quality, including characteristics of children and competencies of the workforce.*
- 4. Streamline early childhood governance and administration to improve equity. Design and implement data systems that support positive impacts on the results and quality of care for children through sharing and integration of data that impact the ways in which families and the workforce experience the system.*

Transforming the early childhood system will take time, intentionality through purposeful changes in the system, and significant resources—ranging from an additional \$2 billion to \$12 billion— supported through public investments, business contributions, philanthropy, and family fees. It will also require leadership and support not only by the present Governor and Legislature, but also by future policymakers who share their vision and commitment to a California For All Kids.¹

Preschool Access

California supports multiple “preschool” options: The Department of Social Services (DSS) administers all the CalWORKs Stages child care programs, the California Alternative Payment Program, General Child Care, and Migrant Child Care, which all may serve preschool-age children. CDE administers the State Preschool program. Transitional Kindergarten (TK) is administered directly by local education agencies (LEAs), and Head Start grants are administered by direct federal contracts to local agencies.

California also offers subsidized child care for low-income families, including families participating in CalWORKs. For low-income families who do not participate in CalWORKs, the state prioritizes based on income, with lowest income families served first. To qualify for subsidized child care: (1) parents demonstrate need for care (parents working, or participating

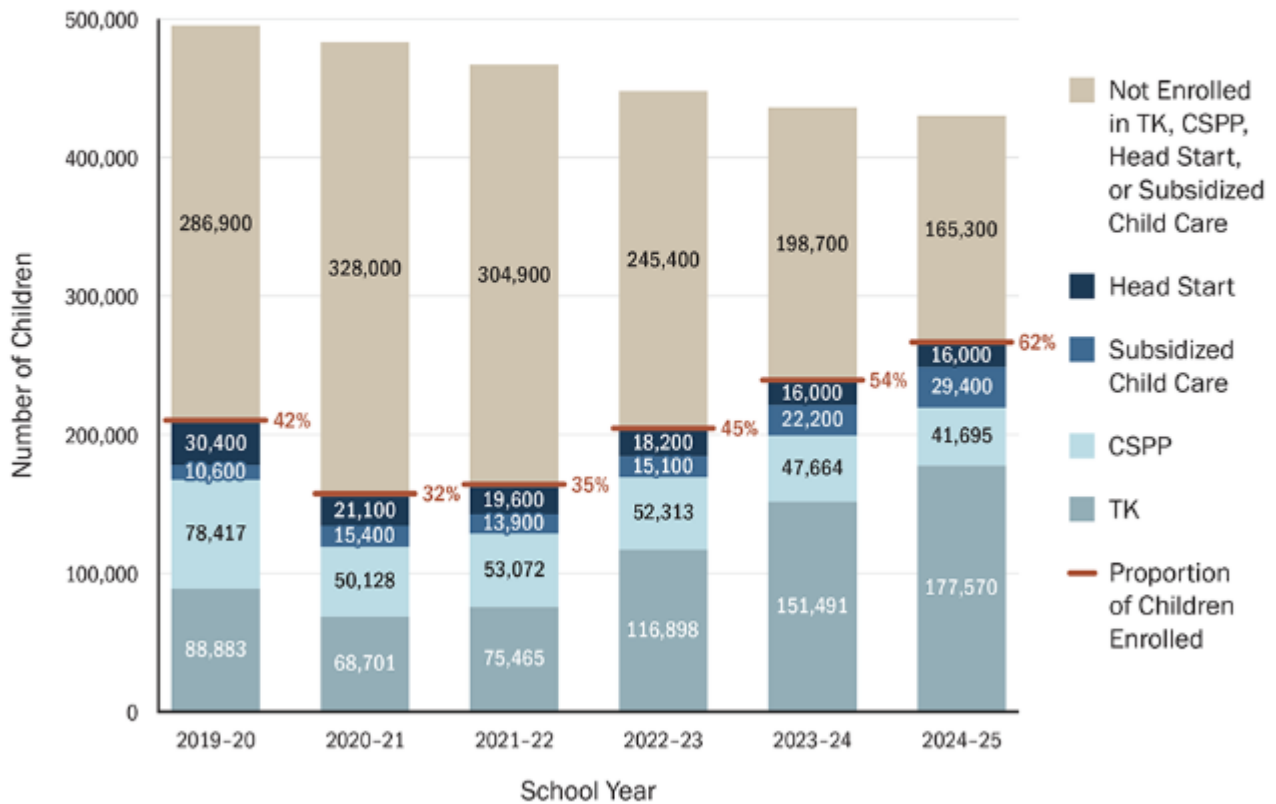
¹ California Master Plan for Early Learning and Care, December 2020 [Master Plan for Early Learning and Care: Making California For All Kids](#)

in an education or training program); (2) family income must be below 85 percent of the most recent state median income (SMI) (\$89,659 annual income for a family of three) and (3) children must be under the age of 13.

For purposes of this agenda, “preschool” is defined as the child care setting chosen by families for their 3-year or 4-year old child.

According to a recent LPI publication: “Since 2021, California has worked to expand access to publicly funded ECE programs for 3- and 4-year-olds. ECE enrollment is rapidly increasing, especially among 4-year-olds. The number of 4-year-olds in TK, CSPP, Head Start, and subsidized child care rose from about 208,300 in 2019–20 to 264,700 in 2024–25—expanding its reach from about 42% to about 62% of all 4-year-olds in the state. Much of the growth was in TK, but subsidized child care also expanded, while 4-year-old enrollment in CSPP and Head Start declined. The number of 4-year-olds who did not participate in state- or federally funded ECE declined by 42% during the same period, from 286,900 to 165,300.

Figure 2. Enrollment of 4-Year-Olds in Publicly Funded PreK or Child Care, 2019–20 to 2024–25



Source: Learning Policy Institute

Three-year-old enrollment in public PreK and child care programs has also grown since the pandemic, but more slowly, from about 100,300 in 2019–20 (21% of all 3-year-olds) to 104,200 in 2024–25 (25% of all 3-year-olds). This means that 75% of 3-year-old children are still not accessing subsidized ECE programs. Understanding why and improving access for those who want to enroll is an important next step for California.”²

The same LPI report also estimates that about 100,500 3-year-olds from families earning less than 85% SMI were enrolled in publicly funded early childhood education programs in 2024–25. This is approximately 44% of all income-eligible three-year olds.

Three-Year-Old Enrollment in CSPP, Head Start, and Subsidized Child Care by Family Income, 2024–25

Category	3-year-olds, all incomes	3-year-olds, low income
Population	411,000	230,500
Unduplicated program enrollment	104,200	100,500
Percent enrolled	25%	44%

Source: Learning Policy Institute

Governor’s 2026-27 Budget

Provides \$3 Billion for State Preschool. Of this amount, \$2 billion is Proposition 98 General Fund for programs offered by LEAs and \$1 billion is for programs offered by non-LEAs. The Governor’s budget increases State Preschool funding by \$136 million compared to 2025-26, (\$46 million Proposition 98 General Fund and \$24 million non-Proposition 98 General Fund) for an increase to the monthly cost of care plus payments. The specific increase would be calculated separately for LEA and non-LEA providers. The remaining changes are technical adjustments related to one-time savings and spending in 2025-26.

The Governor’s Budget does not propose increasing slots in the California State Preschool Program, or other state-subsidized child care serving three-year olds.

The Governor’s Budget also proposes augmentations to the Universal Transitional Kindergarten program, which will be discussed in the next panel.

² Melnick, H., & García, E. (2026). *Universal PreK expansion: How many 3- and 4-year-olds does California enroll?* [Brief]. Learning Policy Institute. <https://learningpolicyinstitute.org/product/ca-universal-prek-expansion-enroll-brief>

Staff Comments

The State Master Plan's goals, to support all four-year-old children, and all low-income three-year old children in a "preschool" setting are ambitious, and the state is continuing to make progress.

With approximately 230,000 income-eligible three-year olds, a key question continues to be: what new capacity is necessary to achieve the Master Plan's goal? What is a reasonable take-up rate to assume for eligible low-income three-year olds statewide?

What capacity do CSPP providers have to expand further, in the near term?

Suggested Questions:

1. What are the Administration's priority areas for the Master Plan, not yet achieved, in regards to child care for children ages zero to five?
2. What more do preschool providers need, to open appropriate spaces for 3-year olds (and 2-year olds) in the context of UTK? What is policy and what could be one-time funding?
3. Would the Administration be interested in a modest plan to increase California State Preschool slots for 3-year olds?
4. What is needed to support access to high quality preschool opportunities that meet both child development and parent employment needs?
5. How are preschool deserts being identified and addressed?
6. How is the expansion of eligibility for CSPP to 2-year olds impacting the system? Access for families?
7. How can the state provide better information to families about their FULL range of "preschool" options, including CSPP and ELOP?

Staff Recommendation: Information only.

Issue 2: Universal Transitional Kindergarten

This panel will hear the Governor’s January Budget proposals impacting Universal Transitional Kindergarten and provide an update on implementation in the first school year for universal eligibility.

Panel

- Hanna Melnick, Learning Policy Institute
- Idalys Perez, DOF
- Sara Cortez, LAO
- Stephen Propheter, CDE

Background

Transition Kindergarten began in the 2012-13 school year, as part of an overhaul to kindergarten age eligibility, defined as the “first year of a two-year kindergarten program.” The original TK eligibility was limited to children who would have otherwise been age-eligible for kindergarten under prior law (born between September 2 and December 2).

The Governor’s Master Plan on Early Learning and Care, as published in December of 2020, called for universal preschool access for all four-year olds in the year prior to kindergarten enrollment. As one key step toward this Master Plan goal, the 2021-22 Budget Act authorized Universal Transitional Kindergarten – eligibility for all children to enroll in TK the year prior to kindergarten eligibility, regardless of income.

Statute gradually expanded TK eligibility from 2022-23 through 2025-26. The LAO table below shows the expansion schedule.

Year	Eligibility
2021-22	Must have fifth birthday between September 2 and December 2.
2022-23	Must have fifth birthday between September 2 and February 2.
2023-24	Must have fifth birthday between September 2 and April 2.
2024-25	Must have fifth birthday between September 2 and June 2.
2025-26	Must have fourth birthday by September 1.

Note: Some school districts may allow younger students who do not meet the criteria above to enroll in transitional kindergarten. These students do not generate state funding until their fifth birthday and must turn five before the end of the school year.

Source: LAO

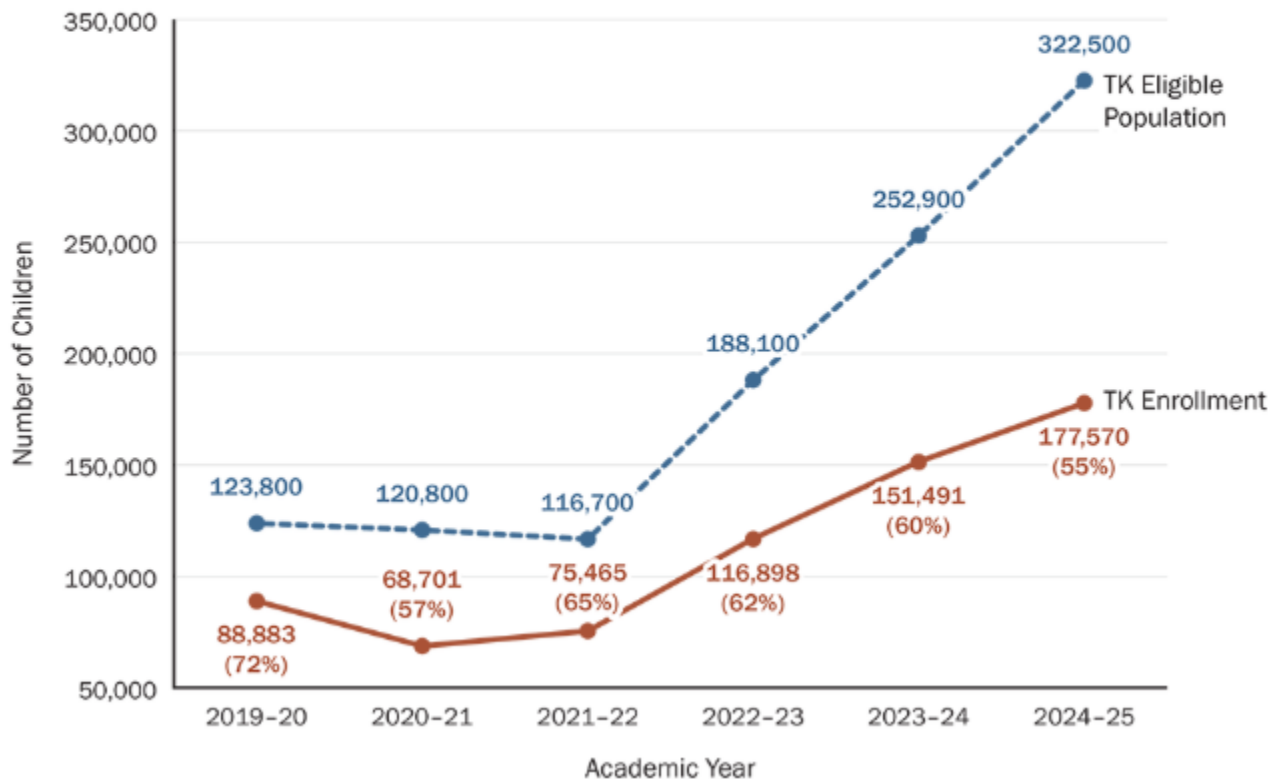
This plan is anticipated to cost approximately \$4.3 billion at full implementation in 2025-26. The Legislature and the Governor have reached an agreement to cover new enrollment costs by “rebenching” (adjusting) the Proposition 98 formulas through 2025-26 to increase the share of General Fund revenue allocated to schools, to accommodate the enrollment growth in UTK.

Statute specifies that eligibility for TK does not affect a family’s eligibility for other subsidized preschool or child care programs. For example, if a child is eligible for TK and State Preschool, the family could choose to enroll the child in either of the programs.

TK Expansion & Funding

In 2024-25, 177,570 students across the state were enrolled in TK. This reflects an approximate doubling in students compared to 2019-20, the year prior to the pandemic.

Figure 1. TK Enrollment, Eligible Population, and Uptake Rates, 2019–20 to 2024–25



Source: Learning Policy Institute

Similar to all other K-12 students, eligible TK students generate attendance based funding through the Local Control Funding Formula (LCFF). The LCFF includes a per student base grant that varies by grade level. In 2025-26, the base grant for students in TK through third grade is

\$10,256 per average daily attendance (ADA). The LCFF also includes a grade span adjustment for students in TK through third grade that is equal to 10.4 percent of the base grant (\$1,067 per ADA in 2025-26). To receive this adjustment, districts must maintain average TK through third grade class sizes of 24 students or fewer for each of their school sites—unless the district has a collective bargaining agreement for a larger class size for grades K-3. Beginning in 2021-22, districts can no longer collectively bargain larger class sizes for TK and must maintain average TK class sizes of 24 or less.

TK Staffing Requirements. In addition to setting a maximum TK class size of 24, the 2021-22 budget agreement set minimum requirements for the number of adults required in a TK classroom. These requirements bring the adult-to-student ratio closer to the ratios in State Preschool and other programs that serve four-year olds (typically one adult for every eight students). Starting in 2025-26, state law requires the adult-to-student ratio be reduced to, on average, one adult for every ten students. Districts incur penalties if they do not comply with TK class size and the staffing ratio requirement.

Starting August 2025, state law requires TK teachers to have either 24 units in early childhood education and/or child development, a child development permit, an early childhood education specialist credential, or comparable experience in a classroom setting with preschool-aged children. (These requirements are in addition to the credential required for elementary school teachers.) Districts will incur penalties if they do not comply with these requirements. These additional requirements were initially set to start August 2020, but have been delayed several times.

State Has Supported TK Expansion Through Several Initiatives. In 2021-22 and 2022-23, the state provided a total of \$1.2 billion in one-time funding to support TK expansion. These augmentations include:

Facility Support (\$590 Million). In 2021-22, the state provided \$490 million one-time non-Proposition 98 General Fund to construct or retrofit early education facilities. Projects could be used to support full-day kindergarten, TK, or district-operated State Preschool facilities. In 2022-23, an additional \$100 million was provided.

Planning Support (\$500 Million). In 2021-22, the state provided \$200 million Proposition 98 General Fund to all local education agencies (LEAs)—districts, charter schools, and county offices of education—that operate kindergarten programs. Funds could be used for a variety of purposes such as recruitment, training, and materials. In 2022-23, an additional \$300 million was provided for these purposes.

Teacher Support (\$100 Million). In 2021-22, the state provided \$100 million Proposition 98 General Fund for a competitive grant that LEAs could use to increase the number of highly qualified State Preschool and TK teachers.

The 2025-26 budget package assumed LCFF costs associated with TK would be \$927 million above revised 2024-25 levels. (This assumed statewide attendance for TK students would increase by 51,000 in 2025-26.) The budget also assumed an additional \$517 million to increase the add on amount to \$5,545 per student. These costs are associated with the requirement that the adult-to-student ratio be reduced to, on average, one adult for every ten students. (In 2024-25, the requirement was 1 adult for every 12 students.)

The Governor’s 2026-27 Budget

The Governor’s Budget revises the previous estimate of the UTK expansion downward by 5,900 students (5.8 percent) in 2024-25 and by 13,600 students (8.9 percent) in 2025-26. These new estimates reduce the guarantee by \$80 million in 2024-25 and \$190 million in 2025-26. On a cumulative basis, the Governor’s budget estimates that 139,100 additional students are attending TK programs in 2025 26 (the final expansion year of the plan). The Proposition 98 guarantee, in turn, is \$1.9 billion more than it would have been without the plan.

Trailer Bill Proposal. Existing law defines “transitional kindergarten” as the first year of a 2-year kindergarten program that uses curriculum that is age and developmentally appropriate. The Governor’s Budget includes proposed trailer bill language to specify that transitional kindergarten would require developmentally appropriate curriculum to include (A) instructional practices that promote each child’s development and learning through a strengths- and play-based approach to joyful, engaged learning that addresses the domains of development, as specified, and (B) a cohesive set of principles, learning goals, intentional teaching strategies, activities, experiences, and materials designed to help children learn and thrive in ways that are appropriate to their age and stage of development.

Staff Comments

Access to UTK. Do parents know their children are eligible for free PreK? Take-up rates remain low in many LEAs across California which calls into question whether parents know their children are eligible, and are LEAs building attractive TK options for four-year old children. Is there a necessary role for the state, in promoting this new universal grade?

Access to “After School” Programs. One draw back of UTK as the state’s universal preschool program is the allowance that the school day can be as little as three hours long. LEAs are required by law to offer free after school and summer options (ELOP) for TK children who are either eligible for free and reduced-price meals, English Language Learners, experiencing homelessness, or a foster youth. CalPADS data collection on access to ELOP, by grade, will be available this year for the first time.

In the final year of UTK expansion, the role of preschool options for four-year olds continues to evolve:

Table 3. California's 4-Year-Old Population, Enrollment in Subsidized Child Care, and Percentage of 4-Year-Olds Enrolled in Publicly Funded Early Childhood Education, 2019–20 to 2023–24

Category	2019–20	2020–21	2021–22	2022–23	2023–24
Total 4-year-old population	494,300	487,100	472,900	454,500	438,200
Enrollment in subsidized child care	19,067	19,477	18,931	18,602	24,755
Percentage of 4-year-olds enrolled in subsidized child care	4%	4%	4%	4%	6%
Percentage of 4-year-olds enrolled in TK, CSPP, Head Start, or subsidized child care	37%*	31%	34%	45%	55%*

Notes: Population estimates are rounded to the nearest 100. Subsidized child care includes Alternative Payment, CalWORKs Stages 2 and 3, Family Child Care Home, General Child Care, migrant programs, and Severely Handicapped; CalWORKs 1 and Community College Stage 2 are not included. An asterisk (*) indicates that Head Start enrollment data were missing and data from the prior year were used. Percentages may not add up because of rounding.

Source: Learning Policy Institute

Suggested Questions:

1. What is the current “uptake” rate amongst each eligible student age cohort, for UTK? What are the enrollment trends?
2. What does CDE data show as the 2025-26 “uptake” rate for UTK?
3. Are LEAs struggling with hiring and placing qualified TK teachers?
4. Is there anything that the state can do to further support LEAs as you implement the expansion of high quality transitional kindergarten?
5. Is there anything additional needed to support preschool systems adapt and adjust to UTK implementation and Expanded Learning options?
6. What percentage of UPP TK and K students are enrolled in ELOP programs?
7. Is there a need to better promote UTK/UPK options to parents? How?
8. What are CDE’s future UTK implementation survey plans?

Staff Recommendation: Hold Open.

Issue 3: Childcare & Preschool Quality Improvement & Workforce Support

This panel will provide an overview of existing state investments and policy in ECE educator support, and program quality improvement systems.

Panel

- Dylan Hawksworth-Lutzow, LAO
- Lupe Jaime-Mileham, CDSS
- Stephen Propheter, CDE

Background

Goal #2 in the Master Plan states: Support children’s learning and development by enhancing educator competencies, incentivizing, and funding career pathways, and implementing supportive program standards. Enhance standards and provide affordable and accessible pathways for the entire workforce to advance in their competency and compensation.

CCDF Rules Require States Spend a Certain Amount of Funding on Quality Improvement Activities. As a condition of receiving CCDF dollars, the federal government requires states use at least 9 percent of total CCDF dollars on general quality improvement activities and at least 3 percent of total CCDF dollars on quality improvement activities specific to infant and toddler child care services. Allowable quality improvement activities include training and professional development opportunities for child care providers; developing and implementing a quality rating system; and supporting child care providers to develop and adopt high-quality program standards related to health, mental health, cognitive development, and physical activity.

The administration is still in the process of finalizing the list of quality improvement activities that would be supported by CCDF quality funds in 2026-27. In the past, CCDF quality plans were generally finalized after the Legislature approved the associated funding through the annual budget process. Pursuant to a change in the 2024-25 Budget Act, CDSS will provide an updated spending plan at May Revision.

Here are the most recent postings on the CDSS website, and staff will provide an update at this hearing (yellow added for emphasis on projects receiving a significant funding change between 2024-25 and 2025-26):

California Department of Social Services Child Care and Development Division July 2025

CCDF QUALITY PLAN FISCAL YEAR 2025-26

CCDF QUALITY PLAN	FY 2025-26
<i>Quality Plan: INFRASTRUCTURE</i>	<i>FY 2025-26</i>
License Enforcement for Child Care Programs (Department of Social Services)	\$34,400,000.00
Consumer Education (Resource & Referral Support Contract)*	\$41,699,000.00
Local Child Care Planning Councils (LPCs)	\$7,765,000.00
Child Care Initiative Project (Support Contract to R&R's)*	\$5,020,601.00
Child Care Initiative Project (Network Administration)	\$896,843.00
Product Development *	\$5,355,712.00
Subsidized TrustLine Applicant Reimbursement	\$394,121.00
Trustline DOJ*	\$506,816.00
800-KIDS-793 Phone Line for Parents & Consumer Ed Database (2 Contracts - Non IT & IT)	\$100,000.00
MyChildCarePlan.org (MCCP)	\$1,800,000.00
Childcare Connect	\$2,570,000.00
Infrastructure: Low Income Investment Fund	\$4,429,547.00
First 5 CA - Grant Data Portal	\$31,800.00
<i>Quality Plan: PROFESSIONAL DEVELOPMENT WORKFORCE</i>	<i>FY 2025-26</i>
Quality Counts California Quality Improvement Grant (Workforce Pathways Grant)	\$19,530,647.00
Child Development Training Consortium (CDTC)	\$3,200,000.00
California Early Childhood Mentor Program (CECMP)	\$3,861,769.00
Coaching Companion	\$454,521.00
CA Preschool Instructional Network (CPIN)	\$3,235,951.00
Family Child Care At Its Best Project	\$1,151,347.00
Dual Language Learners	\$861,267.00
Infant and Early Childhood Mental Health Consultation (IECMHC)	\$4,941,809.00
Program for Infant Toddler Care (PITC)	\$6,176,428.00
Supporting Inclusive Early Learning Inclusion (SEIL)	\$2,844,941.00

Desired Results Developmental Profile (DRTTA)*	\$3,668,511.00
California Early Education Training and Technical Assistance (CEETTA)	\$2,734,974.00
Alternative Methodology	\$502,508.00
RFP/Alternative Methodology*	\$1,300,000.00
Berkeley Workforce Contract	\$998,295.00
Quality Plan: QUALITY RATING AND IMPROVEMENT SYSTEM	FY 2025-26
Quality Counts California Quality Improvement Grant (Block Grant) *	\$21,862,649.00
Preventative Health & Safety Regional Training Network (UCSF)	\$296,829.00
Preventative Health & Safety Regional Training Network (CHST)	\$1,477,961.00
Provider Health & Safety Grants (R&Rs)-(CPHSP)*	\$2,029,275.00
Rate and Quality Additional *	\$ 530,000.00
FFN Health and Safety Modules *	\$ 1,699,000.00
CalWORKS*	\$ 450,000.00
RADD (Agency Data Hub Fees)*	\$ 30,000.00
CDII*	\$ 190,000.00
Early Childhood Integrated Data System (ECIDS)*	\$ 800,000.00
Total Quality Amount:	\$ 189,798,122.00

All contracts with an asterisk * have a portion of FY2023-24 Quality Carryover added, to total \$20,000,000 additional funds to be spent in FY2025-26

Allocations are still being discussed for this plan

Staff have highlighted the Quality Plan investments that changed significantly between 2024-25 and 2025-26 CCDF Plans. There are several new investments, including:

- Alternative Methodology
- RFP/Alternative Methodology
- FFN Health and Safety Modules
- CalWORKS
- RADD
- CDII
- Early Childhood Integrated Data System

Staff Comments

The State needs to strengthen workforce capacity to engage in quality interactions with children across the private and public sectors, and all provider types. Implement an inclusive, competency-based system of education and training that ensures that all providers of publicly funded care receive support and incentives to develop key competencies and skills to engage effectively with infants, toddlers, and other young children.

In light of Master Plan recommendations, and long-standing advocacy in the child care field, the State should consider a more systemic approach to professional supports, including professional development paid time and infrastructure, leveraging regional community college and Local Planning Council capacity, and leveraging Quality Improvement Systems and CCDF funding for a more holistic approach for all providers.

Suggested Questions:

1. How should the state better imbed professional development and support into all child care programs?
2. How can the state prioritize areas for professional support, including but not limited to Dual Language Learner supports and inclusive classroom approaches?
3. Is the state's quality plan a systemic approach?
4. Are there program improvements to CCIP needed for effectiveness at scale?
5. How have recent funding CCDBG increases for Local Planning Councils and Resource & Referral agencies impacted family services? In the online era, should the state revisit minimum Resource & Referral standards, for parent information access and online accessibility?
6. Are Local Planning Councils providing all the necessary data to address child care deserts during recent slot expansions?
7. Are there Master Plan recommendations relevant to these Quality Plan investments?
8. What details on the next Alternative Methodology study plan will CDSS release at May Revision with the CCDF quality plan?

Staff Recommendation: Information Only.

Issue 4: Reading Difficulties Screener Professional Development & Trailer Bill Proposal

This panel will hear the January Budget proposals impacting the Reading Difficulties Screener mandate.

Panel

- Liz Mai, DOF
- Alaina Powell, DOF
- Dylan Hawksworth-Lutzow, LAO

Background

The 2023-24 Budget Act (SB 114, Committee on Budget and Fiscal Review) required that schools administer screenings for reading difficulties to students in kindergarten through second grade starting in 2025-26. These screenings must be completed using an instrument approved by a State Board of Education selection panel.

In December 2024, the panel ultimately approved four screening instruments that local education agencies (LEAs) are authorized to use. In addition to requiring annual screenings, SB 114 requires schools to provide students identified as being at risk of having reading difficulties with targeted supports and services, such as one-on-one or small-group tutoring, early reading interventions, or further diagnostic assessments.

The 2024-25 budget provided \$25 million in one-time Proposition 98 General Fund to support training for educators to administer screenings to students. The 2025-26 budget provided \$40 million in one-time Proposition 98 General Fund to cover costs associated with the first year of administering the screener. This includes the costs of providing targeted supports to students identified through the screener. Funding was allocated to LEAs based on their share of statewide enrollment in kindergarten through second grade.

Governor's 2026-27 Budget

The Governor's Budget proposes an additional \$40 million one-time Proposition 98 General Fund to cover LEA costs associated with administering the reading difficulties screener. As with the amount provided in 2025-26, funding would be allocated to LEAs based on their share of statewide enrollment in kindergarten through second grade.

The proposal also changes the statute for the Reading Difficulties screener administration. The proposed trailer bill would strike existing law, which directs LEAs to administer the screener after students "have received sufficient instruction in foundational reading skills to support a valid

assessment” and would instead set a firm timeline for the initial assessments in kindergarten (not earlier than the 91st school day), and grades one and two (not before the 46th school day).

LAO Comments

Cost of Administering Screenings Likely Lower in Second Year. The administration’s proposal to provide \$40 million for this purpose in 2025-26 was based on its estimate that costs would be about \$825 per classroom for training, materials, and other costs. We thought this was a reasonable estimate of the average costs to implement the screening requirements in the first year. In the second year of implementation, however, administrative costs are likely lower. In particular, LEAs will have lower training costs after already providing training to staff members in the previous year. Additionally, the actual costs of obtaining and administering the screener will vary based on key decisions LEAs make. For example, LEAs could reduce their costs by choosing to use one of the two approved screening instruments that are available free of charge.

Cost of Targeted Support Is Unknown. In addition to the costs of administering the screener, LEAs must provide targeted support to students identified by the screener as having reading difficulties. The costs for LEAs will depend on the specific services provided and are currently unknown.

Reject Funding for Reading Difficulties Screener. Given the costs associated with administering the screener in 2026-27 will likely be lower than in prior years, and the costs associated with providing targeted support to students identified as having reading difficulties are unknown, we recommend the Legislature reject the proposal to provide specific funding for this purpose. As we discuss in our recent report, [The 2026-27 Budget: Proposition 98 Guarantee and K-12 Spending Plan](#), the Governor’s budget proposes \$2.8 billion in one-time funding for a discretionary block grant. If the Legislature is interested in providing additional funding to cover some of the costs associated with the reading difficulties screening, it could redirect the funds in this proposal to the discretionary block grant. This would give LEAs the flexibility to use the funds for reading difficulties screening or any other priority.

Staff Comments

What level of funding is sufficient for addressing the screener mandate? Because the screener statute is structured as a mandate, these budget allocations are intended to fully fund the mandate costs for LEAs. However, as the LAO notes, there has been no sufficiency study. Further, the funds are restricted in use for the screening and support services outlined in statute. Staff recommends that the trailer bill appropriation be made more flexible in use, to allow LEAs to use funding across PreK-3 purposes and a longer timeline, while off-setting the mandate pressures.

What is the evidence-based timeline for administering the screener, for each age group, and specifically for English language learners? Staff is also concerned that the new screening timeline trailer bill is too narrow to support a valid and reliable screening, under all four approved screener tools, for each distinct grade.

The Administration's primary argument in favor of this state-required screening window is to prevent an overidentification of children, who may have not received sufficient instructional time. It may be that diagnostic screener use, versus the statutory requirement that a screen "shall be used as a flag for potential risk of reading difficulties, not as a diagnosis of a disability," should also be differentiated.

The State of Colorado has a similar screening law, which will go in effect beginning in the 2027–28 school year. Universal dyslexia screening in Colorado schools must occur within the first 90 calendar days of the school year for first through third grade students and within the last 90 calendar days of the school year for kindergarteners.

Staff Recommendation: Hold Open.

This agenda and other publications are available on the Assembly Budget Committee's website at: [Sub 3 Hearing Agendas | California State Assembly](#). You may contact the Committee at (916) 319-2099. This agenda was prepared by Erin Gabel.