



This New Pre-K Policy May Be Having Growing Pains



Many policies have unintended consequences.

In the case of California's universal preschool program, a policy that aimed to increase educational opportunities for low-income families and add day care slots for younger children may instead be disproportionately benefiting affluent households while reducing options for infants and toddlers.

To set the table for understanding what is happening in California, here is a brief description of state funding for pre-K. During the current school year, California's publicly funded preschool system has several components:

- Public schools now provide preschool through a program called "transitional kindergarten." All children who turn four by September 1st are eligible.
- The California State Preschool Program serves three- and four-year-

old children from families with income at or below the state median income, which is more than \$120,000 in 2025 for a family of four.

- The state also funds General Child Care, which serves children in licensed centers and family childcare home networks. Families with incomes below 85% of state median income are typically eligible. Additionally, the state funds a parallel system of vouchers with similar income requirements. These vouchers can be used for a variety of different types of childcare such as licensed centers and licensed family childcare homes.

One goal of the preschool expansion was to free up more slots at day care centers for younger children. But a new [report](#) by NEPC Fellow Bruce Fuller finds that the opposite occurred—at least in Los Angeles County, where the expansion of publicly funded pre-K options has been taking place for more than a decade. Instead, more than 150 childcare centers closed between 2020 and 2024, as the programs lost four-year-olds to new free, publicly funded options. As a result, families with infants and toddlers ended up with fewer options.

“We found this worrisome finding that the death rate, so to speak, of pre-k centers has accelerated since the governor moved toward universal access,” Fuller told [the Hechinger Report](#) (an education-focused news outlet) in December. “Private pay centers can’t survive.”

Also quoted in the news article was Nina Buthee, executive director of EveryChild California, which advocates for publicly funded childcare and early education.

She explained that many centers closed because they depended on older children for their survival: Older children are simply less expensive to serve because state regulations require more staff to serve infants and toddlers. As a result, many centers run infant programs at a loss, making up for the difference with revenue from programs for older children. When older students disappear, that funding model no longer works.

The article notes that similar challenges led to a decline in infant and toddler childcare slots when New York City and Oklahoma started offering universal publicly funded pre-K for four-year-olds.

In addition to highlighting the loss of childcare options as centers closed, Fuller's report identified another challenge: Four-year-olds from middle-class and affluent families were more likely to benefit from "transitional kindergarten" than were their counterparts from lower-income households. One reason was that public schools don't necessarily offer this age group full-day programs. Parents from low-income families often lack the resources to stay home with their children, work part time, leave work to pick up their children, or hire someone to do so. Instead, they were more likely to stick with subsidized, full-day childcare—mainly through one of the voucher programs. These options are often of lower quality than pre-K housed at public schools.

Fuller's report concludes by proposing that the state take a more unified approach to serving young children. For example, childcare centers may find themselves navigating a confusing maze of state regulations implemented by multiple different agencies as they struggle to stay afloat or shift to serving younger children.

"[T]he pursuit of disparate policy objectives muddies Sacramento's original focus on widening access to high-quality center-based preschool," he writes. "So, many . . . families still cannot find affordable pre-K for their children. Their options remain limited."

NEPC Resources on Early Childhood Education

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