Element 1a: Expand full-day prekindergarten (pre-K) at no cost for four-year-olds and three-year-olds from families with incomes up to 300% of the federal poverty level (FPL) (approximately $75,000 for a family of four), and for four-year-olds from families with incomes between 300% and 600% FPL (approximately $75,000 to $150,000 for a family of four) using a sliding scale.

Baseline: Local education agencies must provide all four-year-olds who seek to enroll in a public pre-K program and who are eligible for free or reduced priced meals (185% FPL) with access to a half-day pre-K program.

Based on a survey of local education agencies, reported pre-K spending in fiscal 2018 totaled to $143,643,388.

Assumptions:

Three-year-olds:

- **Capacity:** As of 9/30/17, there are currently 3,574 three-year-olds participating in public school-based pre-K. It is assumed that a slot for a four-year-old can also serve a three-year-old.

  In certain years, there will not be enough slots to serve three–year–olds from low–income families, mainly when the sliding scale takes effect.

  One alternative would be to offer half–day pre–K programs for three–year–olds at 300% FPL, with the goal of offering full–day pre–K when there is sufficient capacity. Another alternative would be to offer half–day pre–K programs for three–year–olds at 185% FPL, with the goal of offering full–day pre–K when there is sufficient capacity.

- **Participation rate:** It is assumed that the participation rate for the voluntary enrollment of three-year-olds in publicly funded full-day pre-K will be 80% throughout years 1 through 10.

- **Phase-in:** Publicly funded full-day pre-K for three-year-olds from low-income families (up to 300% FPL/$75,000 for a family of four) will be phased-in over the 10 year period by a minimum of 10% per year. Therefore, by year 10, all three-year-olds from low-income families will be offered full-day pre-K (and 80% will choose to participate).

- **Funding level:** It is assumed that the cost of quality for a four-year-old is the same as the cost of quality for a three-year-old. It is assumed that if three-year-olds are included in an enrollment-based formula, the per pupil funding level would start at a level 3 cost of quality amount and reach the level 5 cost of quality amount by year 5. Therefore, the cost of quality amounts are $8,343 in year 1,
$9,312 in year 2, $10,282 in year 3, $11,252 in year 4, and $12,222 in year 5 and beyond.

If three-year-olds are offered a half-day pre-K program, then the cost of quality for a half-day program would be half of the cost of quality for a full-day program. It is assumed that if three-year-olds are included in an enrollment-based formula, the per pupil funding level would start at a level 3 half-day cost of quality amount and reach the level 5 half-day cost of quality amount by year 5. Therefore, the cost of quality amounts are $4,172 in year 1, $4,656 in year 2, $5,141 in year 3, $5,626 in year 4, and $6,111 in year 5 and beyond.

If three-year-olds from families with incomes at or below 185% FPL are offered half-day pre-K, the number of students served would decrease. The half-day cost of quality amounts and phase-in remain the same.