Illinois' prekindergarten program was established as a result of education reform legislation in 1985. Since 1985, the appropriation for this program has increased every year except two, when the funding remained level with the previous year. Since 1998 the program has been funded through the Early Childhood Block Grant; through separate components this grant also funds a parent training initiative, as well as prevention efforts for first-time and teenage parents. Eleven percent of the total block grant funds must be used to serve children from birth to age 3, so that the funded initiatives target the most at-risk children early in life.

Until 2003, the Illinois State Board of Education (ISBE) distributed preschool funds on a competitive basis to school districts demonstrating the greatest need through an application process; non-school providers could subcontract through local school districts for such preschool grants. Now child care centers and Head Start programs can also submit direct requests for prekindergarten funding. The program serves at-risk children between the ages of 3 and 5. Children are identified for the program through individual screening and assessment, with specific eligibility criteria and methods for screening established locally based on community needs. Examples of targeted populations include children in poverty and those from households with low parental education. Children who have participated in the program rank on average with their peers in subsequent school achievement.

In order to maintain consistent high quality in the program throughout the state, the prekindergarten program requires all teachers to hold an ISBE Early Childhood Teaching Certificate and to participate in ongoing professional development.

Enrollment and funding for the prekindergarten program were flat during fiscal year 2002–2003, with a total enrollment of 53,000 and a funding level of $164 million. However, despite the dismal economic climate, the fiscal year 2003–2004 appropriation for the block grant (which funds initiatives other than prekindergarten, as mentioned above) increased by $29.4 million, bringing the total of all state funds to $213 million.