

Federal & State ECE Policy Updates

Bay Area Early Childhood Funders

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Federal & State Legislative Updates

2

- Federal Budget
- State Budget & Policy
- What's Ahead?



Federal Budget

Federal Fiscal Year 2025

3

- President Biden signed a continuing resolution to prevent a government shutdown on December 21, 2024
 - Expires March 14, 2025
 - Includes \$500 million in emergency child care funding
- Appropriations Bills still include:
 - Senate Labor, Health and Human Services, Education, and Related Agencies Appropriations Act, funding \$2.3 billion more for affordable child care and pre-K this year
 - US House Appropriations Committee funding bill, cutting \$24.6 billion in spending
 - The bill decimates funding for many life-giving programs, but allocates \$8.8 billion to CCDBG, a slight increase of \$25 million above the 2024 level

Child Care Development Fund (CCDF) State Plan Oct. 1, 2025 – Sept. 30, 2027

4



- Administration for Children & Families (ACF) approved California's CCDF State Plan on November 8, 2024
- ACF approved waivers through Aug. 1, 2026
 - Paying child care providers prospectively
 - Posting full child care inspection monitoring reports
- California remains non-compliant with [many requirements](#) and has 60 days to submit its plan to the ACF for how the state will come into compliance

Governor Newsom's Proposed January State Budget Fiscal Year (FY) 2025-26

5

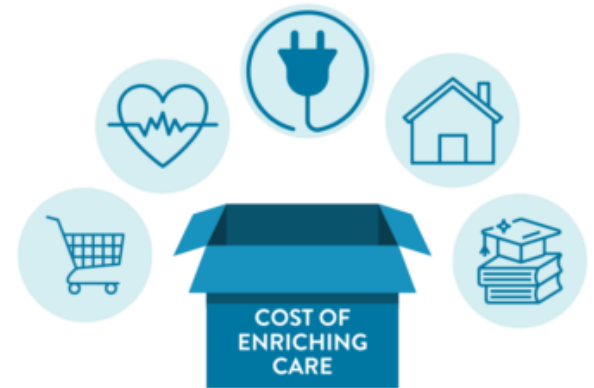
- \$322.3 Billion Spending Plan
 - Generally maintains current spending levels
 - No new funding for child care, mental health, affordable housing, homelessness prevention, or health care
 - Warns about potential cuts in the May Revise
- At the special session on Dec. 2, 2024, the Governor proposed
 - \$25 Million for Civil Rights Litigation
 - \$25 Million to Reduce Potential Harm from the Incoming Federal Administration

Governor Newsom's Proposed January State Budget FY 2025-26

6

Fair Pay for Child Care Providers

- Includes no funding to pay child care providers a fair wage based on the full cost of care
- Maintains current subsidy payment rates
- The Administration will provide the Legislature with a timeline for transition to the new rate structure
- Agreement between the state and Child Care Providers United expires June 30, 2025



Governor Newsom's Proposed January State Budget FY 2025-26

7

Affordable Child Care for Families

- Continues funding for the current number of children enrolled in publicly funded child care
- Follows through with last year's agreement to pause new spaces this year
- Reminders
 - Governor Newsom and the legislature promised 206,800 new spaces by FY 2028-29
 - We believe 129,800 new spaces have been added since 2021
 - 77,000 remain to be funded
 - Only 14% of eligible children are enrolled

Response to Firestorms in Los Angeles and Ventura Counties

8

- Executive Order N-3-25 provides relief for Californian's impacted by the fires. For child care, this includes:
 - All child care providers paid with subsidies in Los Angeles and Ventura Counties will be paid in full until Feb. 6, 2025
 - Title 5-contracted child care providers may instead use their 15 percent dedicated funding for expanding and increasing the contract amount for needed repairs or rebuilding due to the fires

Response to Firestorms in Los Angeles and Ventura Counties

9

- Executive Order N-6-25 helps schools, children, and families affected by the fires, including suspending class size for Universal Transitional Kindergarten (TK) in Los Angeles County
- Governor's Proclamation – at least \$2.5 billion
 - To support recovery efforts and reopen schools in Los Angeles County
 - Wildfire preparedness



Governor Newsom's Proposed January State Budget FY 2025-26

10

California State Preschool Program

- \$2.9 billion in Prop 98 funding for California State Preschool Program (CSPP), an increase of \$635 million from last year
- Temporary expansion that allows CSPPs to enroll 2-year-olds until July 1, 2027
- Maintains current CSPP subsidy payment rates
- \$50 million to support students in teacher preparation program committed to working in CSPPs and priority schools



Governor Newsom's Proposed January State Budget FY 2025-26

11

TK

- \$2.4 billion in ongoing Prop 98 funding to fully implement TK this year
- \$1.5 billion in ongoing Prop 98 funding to reduce teacher-to-child ratios from 1:12 to 1:10
- \$10 million in one-time Prop 98 funding for the statewide use of English language proficiency screeners in TK classrooms

Governor Newsom's Proposed January State Budget FY 2025-26

12

CalWORKs Programs

- No new cuts after last year's devastating cuts
- CalWORKs Work and Family Well-Being Pilot
 - Intended to inform the federal & state government on how to improve outcomes for families with CalWORKs
 - No new funding for pilot but last year's budget includes language to increase the CDSS state operation budget by up to \$2.4 million if the state was selected to participate
- CalWORKs grant expected to increase .2-percent

Governor Newsom's Proposed January State Budget FY 2025-26

13

Other Vital Programs for Children & Families

- \$7.4 million for diapers for all California newborns for first 3 months
- \$435 million to fully implement the Expanded Learning Opportunities Program (before-, after-, and summer school program)
 - The proposal also extends the program for grades TK-6 in districts where 55% of the students have low incomes, are English learners, or in foster care
- \$7.8 billion increase for Medi-Cal

New Law

Effective January 1, 2025

14

SB 951 (Durazo) increases wage replacement rates for Paid Family Leave (PFL) and State Disability Insurance (SDI) to 90% of regular wages for workers making up to 70% of the state average weekly wage.

For workers who earn more than 70% of the state average weekly wage, the law increases PFL and SDI rates to 70% of their regular wages.



Policy Bills

AB 49 (Muratuschi) prohibits, except as required by state or federal law, employees of child care centers and schools from allowing United States Immigration and Customs Enforcement (ICE) officials to enter child care centers for any purpose without meeting certain requirements.

SB 48 (Gonzalez) prohibits public schools and their personnel from granting an ICE officer, or other federal official engaging in immigration related investigation or enforcement, permission to access a school campus without meeting certain requirements.

SB 33 (Cortese) excludes awards from California Success, Opportunity, and Academic Resilience (SOAR) Guaranteed Income Program when determining eligibility for publicly funded programs, including CalWORKs.

What's Ahead?

16

- Senate and Assembly Budget committees will meet to discuss the Governor's budget proposal and special session budget bills
- Child Care Providers United continues to bargain with the Administration and activate providers to put pressure on the state
- Fair pay for center-based providers will be discussed in budget hearings and public meetings, including the Rate & Quality Advisory Panel on March 6 and the Early Childhood Policy Council on Feb. 26
- Legislators have until February 21 to introduce policy bills

