

Federal & State ECE Policy Updates

Bay Area Early Childhood Funders

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Federal & State Legislative Updates 2024-2025

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



Federal Budget FFY 2024

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- President Biden signed the \$1.2 billion federal spending package on March 23, 2024:
 - \$8.75 billion for the Child Care and Development Block Grant (\$725 million increase)
 - \$12.27 billion for Head Start (\$250 million increase)
 - Funding for vital programs for families & children remain essentially flat



Child Care Development Fund (CCDF) Final Rule 2024

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- **CA must**
 - Pay child care providers in advance of or at the beginning of child care services
 - Pay child care providers based on enrollment
- **CCDF encourages** states to “delink” subsidy payment rates from the amount parents without subsidies pay



California State Budget FY 2024-25

Governor's May Revision

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Governor Newsom released his “May Revise” on May 10, 2024

- Budget Shortfall: \$27.6 B this year; \$28.4 B next year
- Shortfall Plan:
 - Slashes and delays programs
 - Draws down state reserves
 - No plan for new taxes or identifying other sources of revenue

California State Budget FY 2024-25
Governor's May Revision
Child Care

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Cuts and pauses child care spaces

- Only 119,000 of the 200,000 promised spaces released since 2021
- Rescinds 27,000 previously authorized spaces and delays remaining 54,000 spaces indefinitely, halting 81,000 spaces in total
- Eliminates about 1,700 emergency child care spaces for children in foster care

California State Budget FY 2024-25 Governor's May Revision Child Care

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- No new money to fund the alternative methodology for the full cost of care
- No timeline to implement the alternative methodology



California State Preschool & Transitional Kindergarten

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- Eliminates previously committed funding for state preschool programs to serve at least 10 percent of children with disabilities
- Maintains Transitional Kindergarten (TK) expansion
- Eliminates funding to support construction and retrofitting of new state preschool, TK, and kindergarten facilities

Cuts and Delays to Other Vital Programs for Children & Families

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- Cuts and reduces funding in key CalWORKs Programs
- Delays expansion of CA Food Assistance Program for undocumented individuals over age 55
- Eliminates In-Home Supportive Services for all undocumented individuals
- Eliminates 24/7 hotline for current & former youth in foster care and their caregivers
- Significant cuts to ACES trauma-informed training, outreach, education, and coordination efforts

Policy Bills

- [AB 1808](#) (Nguyen) extends 24-month child care eligibility to CalWORKs child care.
- [AB 2381](#) (Bonta) pays directly contracted child care programs based on the lesser of the maximum reimbursable amount stated in the contract, the net reimbursable program costs, or certified days of enrollment.
- [AB 2476](#) (Bonta) requires state contractors to pay child care providers prior to the day of child care services starting April 30, 2026 and at the maximum subsidy payment rate.
- [AB 596](#) (Gómez Reyes) and [SB 380](#) (Limón) implement comprehensive rate reform; develop an alternative methodology based on the true cost of care.
- [SB 9](#) (Cortese) creates a three-year pilot program in at least three counties to extend foster care services to non-minor dependents up to 22 years old if they are experiencing or at reasonable risk of homelessness.

What's Ahead?

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Advocates Urge Lawmakers to:

- Fully fund 200,000 Child Care Spaces
- Fund and Implement Child Care Rate Reform
- Reject cuts to CalWORKs and Other Vital Programs
- Use Rainy Day Funds and Other Sources of Revenue

What's Ahead?

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- Legislature Sends State Budget to Governor by June 15
- Governor Signs State Budget by June 30
- State Submits CCDF Final State Plan by July 1
- Contract Negotiations Must Reopen Between Child Care Providers United and the State by this Fall