



2024-25 California State Budget Proposal Summary: Early Learning and Care Investments

On Wednesday, January 10th, Governor Gavin Newsom introduced his 2024-25 State Budget Proposal. His proposal projects a \$37.9 billion deficit and proposes \$291.5 billion in total spending. Despite the budget shortfall, Governor Newsom proposed a budget that maintains his commitment to Early Learning and Care by protecting key investments that have been made over the past few years. Below are some of the items included in his budget summary related to Early Learning and Care. To review the full summary, visit:

<https://ebudget.ca.gov/FullBudgetSummary.pdf>.

Transitional Kindergarten (TK)

- Continues expansion of Universal TK and rebenches the Proposition 98 minimum Guarantee to reflect the continued implementation of Universal TK. The resulting Test 1 percentage is then “rebenched” to increase the percentage of General Fund revenues due to the Guarantee, from 38.6 percent to 39.5 percent.
- Universal TK will be fully implemented by the 2025-2026 school year.

California State Preschool Program (CSPP)

- **\$53.7 million** General Fund for reimbursement rate increases to CSPP providers (previously supported by one-time federal stimulus funds). These resources are in addition to approximately \$140.6 million General Fund and \$206.3 million Proposition 98 General Fund identified in the 2023 Budget Act to support the recently ratified collective bargaining agreement with child care providers.
- A **delay of \$550 million** for the Preschool, Transitional Kindergarten, and Full-Day Kindergarten Facilities Grant Program to 2025-26. The Administration plans to begin negotiations with the Legislature on their education facilities bond proposals to reach agreement on a bond proposal to be considered in the November 2024 election.

Child Care

Upholds commitment to fund 200,000 new child care slots by 2026-27 and provides **\$2.1 billion** for California Department of Social Services to fund 146,000 slots for 2024-25.

- **\$6.6 billion** (\$4.6 billion General Fund) for child care and development programs, including CalWORKS, Resource and Referral and Local Child Care Planning Councils, Alternative Payment Programs, General Child Care and disability care, quality improvement projects.
- **\$723.8 million** General Fund for Child Care Providers United (CCPU) collective bargaining agreement provisions, including progress towards a single rate structure by



developing an Alternative Methodology to reflect the true cost of care, and submitting a state plan for federal approval by July 2024.

Prop 98 and Relevant K-12 Investments

- Proposition 98 funding for K-12 schools and community colleges is estimated to be \$98.3 billion in 2022-23, \$105.6 billion in 2023-24, and \$109.1 billion in 2024-25. These revised Proposition 98 levels represent a decrease of approximately \$11.3 billion over the three-year period relative to the 2023 Budget Act.
- **\$65 million** ongoing Proposition 98 General Fund to reflect a 0.76-percent cost-of-living adjustment for specified categorical programs and the LCFF Equity Multiplier.
- **\$25 million** ongoing Proposition 98 General Fund through the K-12 Mandate Block Grant for literacy screening training in kindergarten through 2nd grade.
- Increase of **\$5 million** one-time non-Proposition 98 General Fund to provide fiber broadband connectivity to the most poorly connected school sites, libraries, and telehealth providers.
- **\$5 million** ongoing Proposition 98 General Fund to support the California College Guidance Initiative through the Cradle-to-Career data system.

Whole Child, Whole Family

- **\$9.1 billion** for Temporary Assistance for Needy families (TANF), including \$7 million for CalWORKS program expenditures and **\$2.4 billion** for programs such as child Welfare services, Department of Social Services and Department of Child Support services, California Community Colleges Child Care and Education Services, Cal Grants, and foster care.
- An approximate **0.8 percent increase** (estimated cost of \$26.7 million) to CalWORKS Maximum Aid Payment Levels starting on October 1, 2024.