



## 2025-26 California State Budget Proposal Summary: Early Learning and Care Investments

On Friday, January 10th, the administration of Governor Gavin Newsom introduced his 2025-26 state budget proposal. Newsom has proposed \$3.9 billion to fully expand Universal Transitional Kindergarten (TK), of which \$1.5 billion will fund classroom ratio reduction from 12:1 to 10:1 students-to-adults. To review the full summary, visit:

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

### Transitional Kindergarten (TK)

- **\$2.4 billion** ongoing Proposition 98 funding to fully expand TK to be available to all children who turn four years old by September 1, 2025.
- **\$1.5 billion** Proposition 98 funding to lower the average student-to-adult ratio from 12:1 to 10:1 in every TK classroom.
- **\$435 million** Proposition 98 funding to expand universal access and fully cover costs with the Expanded Learning Opportunities Program, moving the requirement to offer the program to all students from Local Educational Agencies (LEA) with 75% unduplicated pupils to those with 55% and above and providing accompanying higher funding rates to support the expansion.

### Mixed-Delivery System of Early Learning and Care

- Acknowledgement by the Administration in working towards a single rate structure and utilization of an alternative methodology for estimating the costs of care, and the timeline in transitioning to reimbursement rates informed by the cost of care under the state's alternative methodology, rather than the current structure that is largely informed by private market rates.
- The state will continue to negotiate a successor agreement with [Child Care Providers United](#) (CCPU), with the current Memorandum of Understanding set to expire on June 30, 2025.
- Maintains Cost of Care Plus funding for state-subsidized child care providers and provides a 2.43% cost of living adjustment.

### Dual Language Learners (DLLs)

- All educators will have access to the Literacy Roadmap, offering instructional guidance aligned with California's English Language Arts/English Language Development Framework. Additionally, all kindergarten through second grade students will be screened for reading difficulties, with **\$40 million** in one-time Proposition 98 funding allocated for necessary costs, including screening materials and educator training, to enhance early identification and support.

- **\$1.8 billion** Proposition 98 funding for the Student Support and Discretionary Block Grant, which includes professional development opportunities and supports for teachers on the ELA/ELD Framework and the Literacy Roadmap.
- **\$10 million** one-time Proposition 98 funding for the statewide use of an English language screener to support Multilingual Learners in TK.

#### Other Investments

- Cost of Living Adjustments: **\$204 million** Proposition 98 funding to reflect a 2.43% cost-of-living adjustment, which includes the state preschool program.
- Teacher Recruitment: **\$150 million** one-time Proposition 98 funding to provide financial assistance for teacher candidates through the new Teacher Recruitment Incentive Grant Program.
- TK-12 Literacy and Mathematics Coaches: **\$500 million** one-time Proposition 98 General Fund to support evidence-based practices and hiring specialists.
- Diaper Initiative: Up to **\$7.4 million** General Fund in 2025-26 and **\$12.5 million** in 2026-27 for the Department of Health Care Access and Information to contract for a three-month supply of diapers for California families with newborn babies via hospital systems, aimed at improving maternal and newborn health outcomes.