



2026-27 California State Budget May Revision Summary: Early Learning and Care Investments

On Thursday, May 14, the administration of Governor Gavin Newsom unveiled his [2026-27 May Revision](#) of the state budget proposal. Early Edge has summarized the key Early Learning and Care investments included in the revision.

[Read Early Edge's Statement on the 2026 May Revision](#)

Transitional Kindergarten (TK) / State Preschool / TK-12 Education

- **2.87 percent LCFF COLA for TK-12.** A statutory Local Control Funding Formula (LCFF) cost-of-living adjustment (COLA) of 2.87 percent (up from 2.41), resulting in \$1.3 billion in discretionary funds for local educational agencies (LEAs) when combined with population growth adjustments.
- **Super COLA for TK-12.** An additional \$906.7 million for LCFF, a discretionary investment known as a “super COLA”, resulting in a total COLA of 4.31 percent that is intended to cover the new requirement for LEAs and community colleges to cover 14 weeks of paid pregnancy disability leave.
- **Paid Pregnancy Leave for TK-12.** All TK-12 LEAs and community colleges must provide all employees with up to 14 weeks of paid pregnancy disability leave beginning in 2026-27.
- **Reduction of COLA for State Preschool.** Reduces the COLA for the California State Preschool Program from 2.41 percent (from January) to 2.01 percent, aligning with other child care and development programs.
- **School Leadership Academy.** \$15 million one-time Proposition 98 General Fund to expand and enhance the 21st Century California School Leadership Academy (21CSLA) program for school leaders to help improve student outcomes and implement initiatives like Universal Transitional Kindergarten (UTK).
- **Professional Development Block Grant.** \$5 billion (up from \$2.8 billion) of one-time Proposition 98 General Fund for the Student Support and Professional Development Discretionary Block Grant. This includes literacy support for English Learners and developmentally appropriate instruction for TK.
- **Quality Rating and Improvement System (QRIS).** \$20 million in additional ongoing Proposition 98 General Fund for the state’s QRIS for quality of early care and education programs.
- **Community Schools.** \$1 billion ongoing Proposition 98 General Fund to expand the community school model to more school sites that have large concentrations of students from low-income families, English Learners, and youth in foster care.
- **Prop 98 Guarantee adjustments.** The Proposition 98 Guarantee increases to \$124.9 billion in 2024-25, \$125.1 billion in 2025-26, and \$127.1 billion in 2026-27. Amounts to

\$28 billion over the three-year period relative to the 2025 Budget Act, and an increase of approximately \$6.4 billion from Governor's Budget.

- **Golden State Teacher Grant Program.** \$16.2 million ongoing federal special education (IDEA) funds and \$1.6 million one-time federal Title II funds to continue the Golden State Teacher Grant Program (GSTG). Currently, family empowerment centers and work related to supporting inclusive practices are supported with the IDEA funds, however these programs are being shifted to the ongoing Proposition 98 General Fund to allow the IDEA funds to be used for GSTG.

Child Care / Mixed-Delivery System

- **Reduction of Child Care COLA.** A 30-percent reduction to the revised 2026-27 child care COLA, resulting in a 2.01 percent COLA for child care programs under the Department of Social Services (DSS), including resource and referral agencies and local planning councils. This maintains a \$112 million General Fund for a COLA.
- **Alternative Payment Programs: Child Care Administrative and Support Cost Structure.** \$65.1 million General Fund in 2026-27 to increase allowable in-contract administration costs for alternative payment program agencies by 1.5 percent of their total contract amount.
- **Wildfire Recovery and Proposition 64 Shift of Funds.** Maintains January proposal to make a one-time shift within the youth, education, prevention, early intervention and treatment account, of \$11.8 million (an increase of \$308,000 from January) from the California Natural Resources Agency to CDSS, to be invested in child care infrastructure, specifically targeted toward communities impacted by recent fires.
- **Natural Disaster Recovery.** A one-time increase of \$28 million federal funds for child care facilities affected by the 2023 and 2024 natural disasters.

Governance

- **Office of the Superintendent of Public Instruction.** \$1.5 million non-Proposition 98 General Fund in 2026-27, growing to \$3 million beginning in 2027-28, from the Department of Education to the new Office of the Superintendent of Public Instruction. This fiscally neutral funding shift is related to the education governance proposal included in the Governor's January Budget.