



2026-27 California State Final Budget and Trailer Bill Summary: Early Learning and Care

On June 29, 2026 Governor Newsom signed the [final state budget](#), agreed upon with the California Legislature, as well as most of its associated trailer bills, including the TK-12 Education omnibus and education governance bills. Early Edge summarized the key takeaways from the final state budget and trailer bills.

For TK-12 Education ([AB 126](#))

- **Universal Transitional Kindergarten.** \$3.5 billion for universal access to all four-year-olds.
- **Developmentally Appropriate Instruction in TK.** Clarifies that Transitional Kindergarten instruction must be developmentally appropriate.
- **Bilingual Teaching Pathways Program.** Appropriates \$10 million one-time Proposition 98 for the Bilingual Teaching Pathways Program ([AB 2325](#) Early Edge sponsored bill)
- **“Super” Cost-of-living adjustment.** Adopts a 4.31 percent “super” cost-of-living adjustment (up from 2.87 percent).
- **Universal PreKindergarten Planning and Implementation Grants.** \$200 million one-time Proposition 98 for the Universal PreKindergarten Planning and Implementation Grants to support local educational agencies (LEAs) in planning for and expanding access to prekindergarten programs for four-year-olds.
- **Universal Preschool Planning Grant.** \$50 million one-time Proposition 98 for the Universal Preschool Planning Grant Program to support local planning efforts to expand access to preschool through California's mixed-delivery system for three- and four-year-olds.
- **Expanded Learning Opportunities Program.** Increases funding so that Rate 2 LEA's, those with less than 55 percent of total unduplicated pupils, will receive no less than \$1,800 per unit.
- **14 Weeks of Paid Pregnancy Leave.** Provides up to 14 weeks of paid pregnancy disability leave to all LEA employees (paid for by the COLA).
- **Community Schools.** \$1 billion ongoing to expand the CA Community Schools Partnership Program to all school sites with 65% or higher unduplicated pupils, including one-time investments for specified purposes..
- **Discretionary Block Grant.** \$5 billion one-time for the Student Support and Discretionary Block Grant, which includes support for dual enrollment, career pathways approaches, induction, mentorship, community schools, deferred

maintenance, and professional development for educators in developmentally appropriate Transitional Kindergarten, English Language Arts and Development, and mathematics, through 2032.

- **Wildfire Recovery Assistance.** Appropriates \$22.9 million one-time Proposition 98 General Fund to support LEAs that are continuing to recover from the January 2025 Los Angeles County Wildfires, including \$4 million one-time for the Pasadena Unified School District.

For Child Care ([AB 150](#))

- **Additional child care slots.** Funds a total of 22,700 additional child care slots, with a priority on serving children zero to three years of age.
 - 20,700 Alternative Payment Program slots, effective October 1, 2026, and
 - 2,070 General Child Care and Development slots, effective April 1, 2027.
- **Cost-of-living adjustment for child care.** Enacts a 2.01 percent cost-of-living adjustment to all subsidized child care providers in the form of a percentage increase to Cost of Care Plus rate supplements.
- **Rate Reform and the Single Rate Structure.** Requires the California Department of Social Services (CDSS) to conduct a regional market survey to establish child care provider payment rates every three years instead of every two years to align with federal triennial Child Care State Plan requirements, and allows for the use of an alternative methodology instead of a market rate survey for purposes of fulfilling this requirement. Also prescribes how reimbursement rates are set under the single rate structure.
- **Disaster Recovery Assistance.** Appropriates \$25.67 million from the Federal Trust Fund to CDSS to support disaster relief efforts related to disasters that occurred in 2023 and 2024.
- **Repeals Prospective Pay.** Repeals provisions and funding related to prospective pay for providers.

State Preschool ([AB 150](#))

- **California State Preschool Program.** \$2.8 billion for CSPP. Includes an increase of \$115 million for enrollment growth due to increased three-year-olds.
- **Non-LEA State Preschool funding shift.** Shifts non-LEA state preschool programs under Proposition 98.
- **Cost-of-living adjustment for State Preschool.** Enacts a 2.01 percent cost-of-living adjustment to all state preschool programs in the form of a percentage increase to Cost of Care Plus rate supplements. Results in \$51.425 million.

- **Community Eligibility Expansion for State Preschool.** Significantly expands CSPP site eligibility to those operating within school site or school district boundaries with a student population that has at least 80 percent of students eligible for free or reduced-price meals, foster youth, or English language learners. In addition, expands family eligibility to those who are employed within the school or school district boundaries, so they may enroll 3 or 4 year old children in a CSPP operating within those boundaries. The community eligibility provision was championed by Early Edge.
- **State Preschool eligibility for Local Educational Agency employees.** Makes children of employees of a school district, a county office of education, or a community college district, eligible for State Preschool Programs. They will have the fourth priority for enrollment.
- **State Preschool eligibility for CalWORKs families.** Extends eligibility for full-day preschool programs to children whose families need childcare services because they are participating in a CalWORKs program activity.
- **Professional development for State Preschool.** Increases the number of professional development days for State Preschool staff training from two days to five days. Results in \$33.635 million.
- **Quality Rating and Improvement System Block Grant.** \$20 million augmentation to the CSPP Quality Rating and Improvement System block grant.
- **Repeals Prospective Pay.** Repeals provisions and funding related to prospective pay for providers.

For Education Governance ([AB 181](#))

- **Education Governance Restructuring.** Transfers control of the California Department of Education (CDE) from the elected Superintendent of Public Instruction (SPI) to a Governor appointed Education Commissioner. The Commissioner will have executive and administrative authority over CDE.
- **Office of the SPI.** Establishes the Office of the State Superintendent which is staffed by deputies, associate superintendents, and other support staff. The bill expands the membership of the State Board of Education and the Community College Board of Governors to include the SPI.
- **Phase Two Governance Review.** The Commissioner is required to develop recommendations for a second phase of governance consolidation by October 1, 2027, including review of the future role of the Superintendent's Office.

Other notable changes

- **Program Alignment with federal requirements.** Aligns state child care licensing requirements with federal requirements of the Child Care and Development Block Grant (First aid, reporting, emergency plans, etc.).
- **Temporary absences (the “80/20” rule).** Expands flexibility for family child care home licensees to be temporarily absent from the facility for no more than 20 percent operating hours in a calendar month, rather than in a calendar day, and makes clarifying changes for substitute providers.
- **Child care infrastructure 15% set-aside.** Allows CDSS to set aside up to 15 percent of funding associated with child care expansion awards for General Child Care and Development programs to fund minor repairs, infrastructure upgrades, and other readiness activities for subsidized child care programs.
- **Transfer of funds between APP and CCTR programs.** Authorizes CDSS to transfer funding across and within voucher-based child care programs, and separately, to transfer funding across and within direct contract-based child care programs.
- **Family Fees for State Preschool.** Beginning January 1, 2027, requires CSPP contractors to collect family fees and reimburse providers for the full amount of the certificate or voucher without deducting family fees.
- **Other State Preschool Program changes.** Clarifies 24-month eligibility protections for families transferring between State Preschool programs or voluntarily disenrolling, exempts families receiving child protective services from fees for one certification period, streamlines enrollment priorities, and clarifies that ongoing income eligibility remains in effect regardless of increases in family income and does not require families to report increases.
- **Parent Participation in CalWORKs for State Preschool.** Expands eligibility to those families that need childcare due to participation in CalWORKS program activities.
- **California’s New Americans in Schools program.** \$100 million one-time Proposition 98 funds to support newcomer pupils, English learners, and immigrants through the California’s New Americans in Schools (CalNAS) program.