
SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator John Laird, Chair
2025 - 2026 Regular

Bill No:	AB 150	Hearing Date:	June 29, 2026
Author:	Committee on Budget		
Version:	June 26, 2026 Amended		
Urgency:	No	Fiscal:	No
Consultant:	Elizabeth Freeman		

Subject: Child Care

Summary: Provides for statutory changes necessary to enact child care and preschool related provisions of the Budget Act of 2026.

Proposed Law: This bill makes statutory changes to implement the Budget Act of 2026-27. This bill includes the following provisions:

- 1) Makes various statutory changes related to the State Preschool Program:
 - a. Streamlines eligibility for children enrolling in California State Preschool programs in order to help contractors maximize contracts.
 - b. Makes children of local educational agency employees eligible for State Preschool programs.
 - c. Increases the number of professional development days for State Preschool staff training from two days to five days.
 - d. Makes technical changes to the cost-of-living adjustment and Cost of Care Plus payment calculation.
 - e. Prescribes how reimbursement rates are set under the single rate structure.
 - f. Extends the certification period for no less than 24 months when a family member transfers to another California State Preschool Program or when a child is voluntarily disenrolled for any period of time during eligibility, with correlating adjustments for the Department of Education to update management bulletins and regulations.
 - g. Includes medical and educational appointments as excused absences in the California State Preschool Program.
 - h. Allows a contractor to claim attendance for days the child is not in attendance during a suspension or expulsion appeal process, and specifies that a family receiving child protective services may be exempt from family fees for up to one certification period.
 - i. Beginning in 2026-27, requires California State Preschool Program contractors to reimburse providers for the full amount of the certificate or voucher without deducting family fees and to collect family fees.
- 2) Aligns state child care licensing requirements with federal requirements of the Child Care and Development Block Grant. These requirements include standards regarding the administration of medication, pediatric first aid and CPR training, reporting of child abuse and neglect, and emergency and disaster plans.

- 3) Expands flexibilities for family daycare home licensees to be temporarily absent from the facility no more than 20 percent of the facility's operating hours in a calendar month, and makes conforming changes to clarify health and safety training requirements for substitute providers.
- 4) Defines "excessive unexplained absences" for subsidized child care programs as absences that are not excused and exceed 30 days within a 12-month interval, as specified.
- 5) Allows the California Department of Social Services (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.
- 6) Aligns eligibility for CalWORKs child care with recent changes to expand CalWORKs welfare-to-work, including eligible activities such as education and job readiness.
- 7) Enacts a 2.01 cost-of-living adjustment to all subsidized child care providers in the form of a percentage increase to Cost of Care Plus rate supplements.
- 8) Requires child care contractors to collect any applicable family fees directly and to reimburse subsidized child care providers for the full amount of a certificate or voucher to align with federal requirements, beginning on or before January 1, 2027.
- 9) 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, based on individual assessments of contractor readiness to serve children pursuant to their initial award. Establishes priorities governing the transfer of funds pursuant to this section and legislative reporting requirements, as specified.
- 10) Establishes eligibility requirements, allowable uses, administrative processes, and reporting requirements necessary to implement an infrastructure grant program for licensed child care facilities impacted by disasters in 2023, 2024, and 2025. The 2026 Budget Act includes \$11.8 million in Proposition 64 funds for child care facilities impacted by disasters in 2025 and \$28 million in federal disaster relief funds to support child care facilities impacted by disasters in 2023 and 2024.
- 11) Clarifies and updates provisions related to program integrity and overpayment prevention in subsidized child care programs to reflect the transition of those programs from the California Department of Education (CDE) to CDSS.
- 12) Requires CDSS to conduct a 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.

13) Makes technical and conforming changes.

Fiscal Effect: 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.

Support: None on file.

Opposed: None on file.

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