
SENATE COMMITTEE ON BUDGET AND FISCAL REVIEW

Senator Scott Wiener, Chair
2025 - 2026 Regular

Bill No:	AB 151	Hearing Date:	September 10, 2025
Author:	Committee on Budget		
Version:	September 8, 2025	As amended	
Urgency:	No	Fiscal:	Yes
Consultant:	Elizabeth Schmitt		

Subject: Early Childhood Education and Childcare

Summary: Provides for statutory changes necessary to enact child care related provisions of the Budget Act of 2025.

Proposed Law: As part of the 2025-26 Budget package, this bill makes statutory changes to implement the budget act. This bill includes the following provisions:

- 1) Ratifies the agreement reached between the state and Child Care Providers United (CCPU) on August 7, 2025, and includes parity provisions for unrepresented center-based providers. The components of the agreement and parity provisions are described below.
- 2) Extends payment based on the maximum authorized hours of care, regardless of attendance, for voucher-based child care and preschool programs through July 1, 2028.
- 3) Extends monthly per-child rate supplements, known as cost of care plus, for all subsidized child care and preschool providers, with the cost-of-living adjustment approved in the 2025 Budget Act.
- 4) Contingent upon full ratification of the tentative agreement reached between the state and CCPU, requires the cost-of-living adjustment covering the period July 1, 2025 through December 30, 2025 to be provided to family child care providers as a one-time payment, due by January 1, 2026. Establishes a procedure for this one-time payment to be provided at a later date in the event that full ratification is not achieved by September 30, 2025. Requires future cost-of-living adjustments following the one-time payment on January 1, 2026 to be delivered as increases to the monthly per-child cost of care plus payments. Specifies the monthly amount per child based on provider type and region, ranging from \$107 per child to \$230 per child for family child care providers.
- 5) Specifies the monthly cost of care plus amount, adjusted by the cost-of-living adjustment, for child care and preschool centers, based on provider region, ranging from \$152 per child per month to \$230 per child per month.
- 6) Requires the California Department of Social Services (CDSS) and the California Department of Education (CDE) to provide all subsidized child care providers with a one-time per-child stabilization payment. The stabilization payment

amounts are \$300 per child for license-exempt family child care providers and \$431 per child for small and large family child care providers, center-based providers, and California State Preschool Program (CSPP) providers.

- 7) Requires CDSS and CDE to provide child care contractors with a five percent administrative fee for processing both the one-time cost-of-living adjustment payments covering the period July 1, 2025 through December 30, 2025, and the one-time per-child stabilization payments.
- 8) Requires the state to make a single contribution per year to the CCPU Training Partnership Fund in order to restore the balance of the fund to \$15 million upon receipt of the annual report of the fund's expenditures, from July 1, 2025 through July 1, 2028.
- 9) Requires the state to make a single contribution per year to the CCPU Workers Health Care Fund in order to restore the balance of the fund based on provider enrollment and upon receipt of the annual report, from July 1, 2025 through July 1, 2028.
- 10) Requires the state to make a single contribution per year to the CCPU Retirement Trust in order to restore the balance of the fund to \$80 million, upon receipt of the annual report, from July 1, 2025 through July 1, 2028.

Fiscal Effect: Appropriates \$157.85 million from the General Fund to CDSS for the purpose of one-time stabilization payments to family child care providers and child care centers, inclusive of allowable administration costs to contractors.

-- END --