

Date of Hearing: April 15, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
AB 1981 (Aguiar-Curry) – As Amended March 26, 2026

Policy Committee: Human Services Vote: 7 - 0

Urgency: Yes State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill deletes the July 1, 2027, sunset date for the California Department of Social Services (CDSS) to provide the Assembly and Senate budget committees and the Legislative's Analyst's Office with quarterly updates on the implementation of the new subsidized childcare reimbursement rates set under the alternative methodology, and instead requires those updates to continue until the new reimbursement rates are fully implemented.

This bill also requires CDSS to provide the Joint Legislative Budget Committee, rather than the Legislature, with CDSS' anticipated timeline for transitioning to the new rates.

FISCAL EFFECT:

CDSS indicates costs are minor and absorbable.

COMMENTS:

1) **Purpose.** According to the author:

[This bill] ensures continued transparency and accountability by requiring ongoing quarterly updates from CDSS on the transition to the new reimbursement rate system until it is fully implemented. After nearly two decades of unfulfilled commitments to reform childcare rates, the Legislature deserves clear accountability and transparency from the Administration on when these changes will finally take effect. Paying providers fairly will help stabilize the childcare workforce, keep providers' doors open, and ensure families can access the care they need.

2) **Background.** Existing law requires CDSS, in collaboration with the California Department of Education (CDE), to develop and conduct an alternative methodology to inform reimbursement rate setting for subsidized childcare and to establish a single rate structure to reimburse all subsidized childcare programs. Existing law requires the Governor and the Legislature, by July 1, 2025, to establish reimbursement rates based on the alternative methodology.

Existing law requires CDSS to provide quarterly updates to the Legislature on implementation of the new rates through July 1, 2027. If the new rates do not take effect on

July 1, 2025, CDSS must provide the Legislature with its timeline for transitioning to the new rates.

According to CDSS' January 2026 rate reform update, full implementation of the single rate structure is expected to take at least two additional years. This bill extends the requirement that CDSS provide quarterly updates to the Legislature until the new reimbursement rates are fully implemented and clarifies that CDSS must provide its transition timeline to the Joint Legislative Budget Committee.

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