SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2258 (Ávila Farías) - Early childhood education and childcare: alternative payment programs

Version: June 24, 2026
Urgency: No
Hearing Date: August 3, 2026

Policy Vote: HUMAN S. 4 - 0
Mandate: No
Consultant: Agnes Lee

Bill Summary: AB 2258 would require the California Department of Social Services (CDSS) to identify unspent or projected unexpended moneys from all subsidized child care and development programs for the purpose of enrolling additional eligible families in alternative payment programs, as specified.

Fiscal Impact: The CDSS estimates annual General Fund costs of $3 million for state administration.

Background: California's subsidized child care system is designed to provide assistance for income-eligible parents and guardians who are working, in training, seeking employment, incapacitated, or in need of respite. CDSS administers both voucher-based programs and direct contract programs.

Voucher-based programs provide vouchers for families to obtain care at a licensed child care center, licensed family child care home, or from a license-exempt provider (family, friend, and neighbor). Voucher-based programs include the Alternative Payment Program, Migrant Alternative Payment Program, CalWORKs Child Care, and the Emergency Child Care Bridge Program for Foster Children. Alternative payment programs help families arrange child care services and make payments for those services directly to the child care provider selected by the family.

Direct contract programs are contracted directly with the state for a fixed number of child care slots in a licensed child care center or a network of family child care homes. Direct contract programs administered by CDSS include General Child Care and Development (General Child Care), Migrant Child Care and Development, Child Care and Development Services for Children with Severe Disabilities, and Family Child Care Home Education Networks.

Proposed Law: Specific provisions of the bill would:

- Require CDSS, in consultation with contractors, no less than quarterly, to identify unspent or projected unexpended moneys from all subsidized child care and development programs, as specified.

- Require CDSS, in consultation with contractors, to redirect and deposit the unspent or unexpended moneys identified to the Alternative Payment Program Enrollment Fund, to be created in the State Treasury.

- Provide that all moneys in the Alternative Payment Program Enrollment Fund are continuously appropriated, without regard to fiscal years, to the CDSS for the purpose of enrolling additional eligible families in alternative payment programs, as specified.

- Require CDSS to establish a streamlined and timely process for the transfer or redirection of moneys, including improvements to or expansion of existing voluntary temporary transfer processes, to ensure that moneys are fully utilized within the applicable fiscal period.

- Prohibit moneys redirected from being subjected to administrative delays that would prevent their timely obligation or expenditure.

- Require CDSS to notify each local child care and development planning council whenever moneys are identified as unspent, or projected to remain unexpended, and are subject to transfer or redirection, as specified.

Related Legislation:

AB 150 (Committee on Budget, Chapter 25, Statutes of 2026) authorizes CDSS to transfer funding, including funds that are not allocated to contracts or otherwise fully expended, across and within alternative payment programs and across and within direct contract child care programs, as specified.

AB 2314 (Rogers) would establish a process for the transfer of funds between providers in the alternative payment program. The bill is scheduled to be heard August 3, 2026 in this committee.

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