(**Without Reference to File**)

SENATE THIRD READING
SB 150 (Committee on Budget and Fiscal Review)
As Amended June 26, 2026
Majority vote. Budget Bill Appropriation Takes Effect Immediately

SUMMARY

This bill is the Early Childhood Education Omnibus Trailer Bill, with all provisions for the 2026-27 Budget Act in child care and development programs administered by the Department of Social Services, and state preschools programs administered by the Department of Education.

Major Provisions

This bill:

1) Revises the definition of the term "attendance" for the California State Preschool program, to additionally include excused absences for medical and educational appointments, and for days a child is not in attendance during an appeal process regarding expulsion or suspension.

2) Revises existing provisions for the California State Preschool program income eligibility requirements by: specifies that the prohibition on requiring a family to report changes to income or other changes for at least 24 months for purposes of eligibility includes when a family member transfers to another California state preschool program or when a child is voluntarily disenrolled by their family for any period of time during eligibility; exempts a family from family fees for up to one certification period instead of up to 12 months; extends eligibility for part-day and full-day preschool programs to children of a parent or guardian employed by a local educational agency; extends eligibility for full-day preschool programs to children whose families need childcare services because they are participating in a CalWORKs program activity; streamlines and revises the priority sequence for program enrollment eligibility; specifies, for purposes of establishing ongoing income eligibility, that ongoing income eligibility means a family's initial income eligibility for services at the time of enrollment will be in effect, regardless of an increase in income; and expands geographic eligibility to both a state preschool program within the attendance boundary of a school district or certain public schools where at least 80% of enrolled pupils are eligible for free or reduced-price meals, foster youth, or English learners, to enroll three year-old and four year-old children.

3) Increases a California state preschool program provider's authority to schedule paid staff training days from two days per contract period to five days per contract period, without reducing days of service for families.

4) Suspends the annual statutory cost-of-living adjustment (COLA) for the 2026–27 fiscal year, for all California state preschool programs and childcare and development programs, administered by the State Department of Education and the State Department of Social Services. In lieu of this statutory COLA, this bill applies a 2.009% COLA for total program rates, as an increase to the cost of care plus rates.

5) Requires, by no later than January 1, 2027, California State Preschool Program and all child care and development program contractors to reimburse care providers for the full amount of the certificate or voucher without deducting family fees and to collect family fees; requires the Department of Social Services to work with contractors in need of technical assistance to comply with these provisions.

6) Updates state fiscal accountability standards, including: requires best practices on fraud and overpayments in contractor policies and implementation of best practices on prevention and intervention of fraud and program integrity violations; requires childcare contractors to terminate eligibility if there is substantiated evidence of a fraud or program integrity violation that invalidates the certification; authorizes the Department of Social Services to enter into agreements with county welfare departments to support the investigation and enforcement of fraud and program integrity in any subsidized childcare program administered by the department; and authorizes the department to clarify the process for recovery of funds and imposition of sanctions described in the approved state plan for the implementation of programs under the federal Child Care and Development Fund in instances where fraud or other program integrity violation is established.

7) Changes the timeline for conducting a child care market rate survey, if the market rate survey is used to set reimbursement rates, for the Department of Social Services to contract to conduct a regional market survey every two years, to now every three years; and authorizes, if an alternative methodology is used to inform the setting of reimbursement rates for subsidized childcare, the department to contract to develop and conduct an alternative methodology to set reimbursement rates for subsidized childcare no less than every three years and no sooner than two years prior to the submission of the Child Care and Development Fund Plan.

8) Clarifies the eligibility criteria for subsidized childcare services under the act to include participation in a CalWORKs program activity; clarifies that a CalWORKs childcare recipient cannot participate in more than one stage of childcare at any given time; requires, beginning January 1, 2028, or on the date automated changes occur in SAWS, whichever is later, the data available to local contractors on county-level SAWS databases to also include the relationship between the current or former CalWORKs recipient or recipients and the child, the childcare license number, if licensed, and whether the current or former CalWORKs recipient is receiving Medi-Cal or CalFresh benefits.

9) Authorizes the Department of Social Services to set aside up to 15% of funding associated with slot expansion awards in the 2026-27 Budget Act for general childcare and development programs to fund minor repairs, infrastructure upgrades, and other readiness activities for childcare and development programs, in addition to existing start-up cost authority.

10) Authorizes the Department of Social Services to transfer funding across and within Alternative Payment Program contracts and appropriations, and within General Child Care contracts and appropriations, including funds that are not allocated to contracts or otherwise fully expended. The bill would require the department to establish criteria for these transfers of funds that prioritize, among other things, maintaining funding within the same program type for which the funds were initially issued. The bill would also require the department to review subsidized childcare awards and contracts on an individual basis to determine a contractor's readiness to serve children pursuant to the initial award. If the department

determines that the contractor has not made sufficient progress toward serving children with awarded or allocated funds, the bill would authorize the department to partially or fully redirect those funds across and within the specified childcare and development programs. The bill annual reporting to the Legislature on transfers made pursuant to these provisions.

11) Amends the family daycare home licensee temporary absences ceiling to not exceed 20% of the hours that the home is providing care per month, subject to waiver by the department. The bill would require a licensee, prior to a substitute adult's initial presence in the home, to provide parent notification, and ensure the substitute adult has obtained a criminal record clearance or exemption, completed specified health and safety training, is immunized against certain illnesses, and meets any other requirements imposed by the department.

12) Requires all staff who provide childcare at those facilities, each family daycare home licensee, and each substitute adult in a family daycare home to complete care to complete at least 15 hours of specified health and safety training that includes pediatric first aid, pediatric CPR, and preventive health practices. The bill would also require those staff to complete a minimum of 12 hours of continuing education annually and would require that training to cover specified topics, including, among others, emergency and disaster preparedness and response planning.

13) Deletes the limited English proficiency exemption for a child daycare license applicant and administrators and employees of a licensed child daycare facility to complete mandated reporter training and to complete renewal mandated reporter training every two years, and authorizes the department to implement and interpret, by means of written directives, interim licensing standards, or similar instructions from the department until regulations are adopted.

14) Revises the disaster plan requirement for a license to operate a daycare center or a family daycare home, to specify that plan as an emergency and disaster plan and specify the components that the plan is required to include, including, among other things, evacuation procedures, a contact information list, and procedures for reunification of children in care with a parent or legal guardian after an emergency or disaster. The bill would require a facility to provide training on the plan to each staff member and volunteer, as specified, and review the plan annually. The bill would also require a facility to have specified information readily available during an emergency or disaster, including a roster of children in care for that day, and to have a set of keys available for use during an evacuation. The bill would require a child daycare facility to be in compliance with these provisions on and after January 1, 2027.

15) Amends the Child Care and Development Infrastructure Grant Program to implement a program for disaster-related infrastructure grants to support certain categories of childcare facilities that are impacted by a state-or federally declared disaster, and require a grant recipient to provide program data to the Department of Social Services and to participate in overall program evaluation.

COMMENTS

According to the Author

Arguments in Support
None on file.

Arguments in Opposition
None on file.

FISCAL COMMENTS

This bill appropriates $25,674,000 from the Federal Trust Fund to the State Department of Social Services for disaster relief efforts related to disasters occurring in 2023 and 2024 and would make these funds available for encumbrance until September 30, 2029.

This bill authorizes the cost of living adjustment for all child care and preschool programs, at 2.009%.

VOTES

SENATE FLOOR: 28-10-2
YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener
NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares
ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 26, 2026

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