

Thanks to the legislature for reaching a budget agreement and to Gov. Gavin Newsom for signing the **\$321.1 billion** state budget. Options for Learning, alongside other organizations such as the Child Care Alliance of Los Angeles, advocated for and protected some funding sources for our programs.

EARLY LEARNING

- Provides \$89.3 million to increase the Cost of Care Plus monthly supplemental rate payments for center-based providers through June 30, 2026, increasing LA County's rate from \$140 to \$171 per child per month.
- Extends “hold harmless” provisions for CSPP and CCTR center-based contracts and voucher programs through June 30, 2026.
- Codifies that starting July 1, 2026, the contract reimbursement will be based on the lesser of: the maximum reimbursable amount, net reimbursable program costs, or adjusted child days of enrollment for certified children times the contract rate.
 - Basing contract earnings on the adjusted child days of enrollment instead of adjusted days of attendance is a significant, hard-fought victory for the early learning and care field.
- Expands CSPP contracts to grow enrollment of 3-year-olds by 10%.
- Cuts \$30 million from the Child Care Bridge Program, although past years' spending has been below the new allocation; 2025–26 funding still allows growth.
- Allocates \$70 million in ongoing General Fund for Alternative Payment Program (APP) agencies for workload associated with managing union dues collection.

SCHOOL-AGE

Transitional kindergarten (TK) (possible impact to our programs):

Provides an additional \$2.1 billion funding for the final year of Universal Transitional Kindergarten (UTK) implementation, including \$1.2 billion ongoing for 10:1 UTK child-to-staff ratios.