

# 2024–25 STATE BUDGET OVERVIEW

Thank you to the Senate, Assembly, and Gov. Gavin Newsom for reaching an agreement and for the signed state budget of **\$297.9 billion**. Options for Learning, alongside other member organizations, such as the Child Care Alliance of Los Angeles, strongly opposed proposed cuts in child care and other vital programs. Due to our collective efforts, we advocated for and protected some funding sources for our programs.

## EARLY LEARNING AND CHILD CARE SERVICES PROVISIONS

### General Child Care and Development (CCTR)

- Funds all 11,000 CCTR expansion slots from existing child care appropriations, beginning Oct. 1, 2024;
- \$8 million adjustment to reflect the cost of funding CCTR slots in 2024–25 and ongoing, partially funded by increased federal funds.

### Alternative rate methodology

- Requires Department of Social Services to report its rate reform implementation progress through January 2026;
- Creates an alternative rate methodology that reflects the true costs of child care and a timeline for its adoption on July 1, 2025.

### Slot expansion

Delays commitment and fulfillment of all 200,000 slots until 2028, with legislative intent to resume expansion in 2026–27.

### Hold harmless

Creates a hold harmless policy to ensure that when the alternative rate methodology takes effect, new rates will not be lower than the 2024–25 child care and preschool rates, including the Cost of Care Plus Rate\*.

\*Monthly per-child payment to supplement subsidized child care reimbursement.

## EARLY LEARNING PROGRAMS

### California State Preschool Program (CSPP):

- Expands CSPP eligibility for children ages 24–35 months until June 30, 2027;
- Restores \$100 million for the Inclusive Early Education Expansion Program;
- Requires CSPP providers to reserve 5% of funded enrollment for children with disabilities;
- Suspends provisions to increase to 7.5% in 2025–26 and 10% in 2026–27.

### Transitional Kindergarten (TK):

- Funds the third-year expansion of transitional kindergarten for all children turning 5-years-old between Sept. 2 and June 2, maintains a 12-to-1 student-to-adult ratio, and TK expansion costs continue to adjust from Proposition 98 guarantee;
- Replaces the preschool Environmental Rating Scale with the Classroom Assessment Scoring System for TK classrooms.

## SCHOOL-AGE PROGRAMS

### **After School Education and Safety (ASES) – Options for Learning’s School-age/Enrichment Program:**

Continues ASES or 21st Century Community Learning Centers (CCLC) programs’ daily rate of \$10.18 per child.

### **Extended Learning Opportunities Program (ELO-P) – Options for Learning is a subcontractor with a few school districts:**

Maintains \$4 billion in state funding for the Expanded Learning Opportunities Program (ELO-P).

## VOUCHER, RESOURCE AND REFERRAL, AND NUTRITION PROGRAMS

### **Emergency Child Care Bridge Program for Foster Children (Bridge Program):**

Ongoing Emergency Child Care Bridge at \$83.4 million in general funds.

### **Licensed Family Child Care providers and Family, Friends, and Neighbors (FFN):**

- Ongoing \$80 million per year for retirement funding, \$100 million for health care, and \$15 million for training and continued education;
- Extension of payment is based on enrollment rather than attendance.

### **Child and Adult Care Food Program (CACFP):**

- CACFP reimbursement rates on federal register payment rates increased by 1% for family child care homes and by about 4% for centers;
- State meal reimbursement rates will be updated once released.

## FEDERAL BUDGET UPDATE

### **Head Start:**

- \$12.27 billion for Head Start and Early Head Start funding in the fiscal year 2024 appropriations bill;
- \$275 million for a cost-of-living adjustment (COLA), which amounts to a COLA of 2.3% for Head Start staff;
- \$8 million for the Tribal Colleges and Universities-Head Start Partnership Program and expanded eligibility rules for the Migrant and Seasonal Head Start and American Indian and Alaska Native Head Start programs.