

California's Early Care & Education Programs

Key information for understanding programs, funding & enrollment trends, and enduring challenges





California Budget & Policy Center

The California Budget & Policy Center (Budget Center) is a nonpartisan research and analysis nonprofit advancing public policies that expand opportunities and promote well-being for all Californians.

“Parents can’t afford to pay, child care providers can’t afford to stay, there must be a better way.”

This Chart Book is designed to provide key information on California’s early care and education (ECE) programs to help create this “better way.”





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2. [California's Child Care Programs](#)
3. [California Department of Education's Preschool Programs](#)
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Note on Terminology

- **Early Care & Education (ECE):** Broad term referring to child care and preschool programs.
- **Child Care:** Programs serving children ages 0-12 administered by the California Department of Social Services (CDSS).
 - These programs are further explained in [Section 2](#) and on CDSS's website, [here](#).
- **Preschool:** Programs included in the California Department of Education's (CDE) "Universal Preschool" (UPK) definition.
 - Key programs are further explained in [Section 3](#) and on the UPK website, [here](#).

SECTION 1:

Why Early Care & Education is Important

Families need nurturing care for their children.

- Children benefit from safe, nurturing early care and education during the earliest years of their lives. This care helps to foster positive child development, setting children up for success in the future.
- Families also need a trusting place that can care for their child while they are working, going to school, or otherwise unable to care for their child.
- Families and children have unique lives, cultures, and linguistic backgrounds that inform their child care and preschool choices.
- Thus, families need early care and education options that best match their needs and context.

Given California's workforce participation, the majority of the state's families need ECE options that best meet their needs.

Three in 5 Children Under Age 6 in California Live in Families Where all Parents Are in the Workforce



Note: Children with parents in the workforce are those in single-parent families with one working parent and those in two-parent families with two working parents.

Source: Budget Center analysis of 2024 US Census Bureau, American Community Survey public-use microdata downloaded from IPUMS USA (University of Minnesota, www.ipums.org)



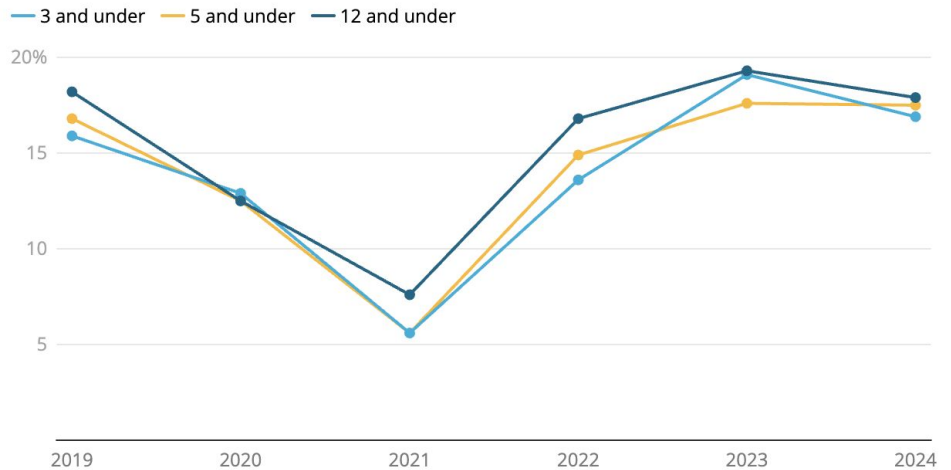
Publicly funded ECE is critical for supporting families and the economy.

- Child care and preschool is expensive, prohibiting access for many families and forcing them to make impossible decisions between going to work and caring for their children.
- At the same time, child care providers are paid poverty-level wages. The cost for providing care far exceeds the amount that families can afford to pay.
- Publicly funded ECE attempts to help bridge that gap through offering care at low-or-no cost for families that are eligible.

Publicly funded ECE can help reverse California's rising child poverty trend.

Poverty for Young Children Spiked After Sunsetting of Pandemic Era Policies

California Poverty Rate Under the Supplemental Poverty Measure, 2019 - 2024

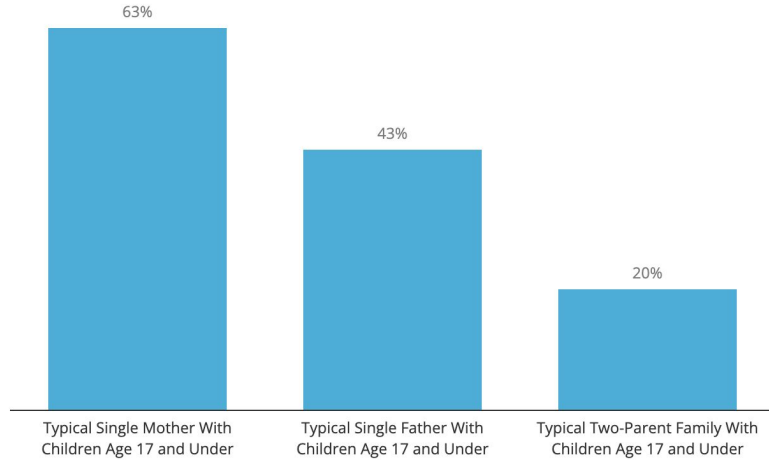


Note: Temporary pandemic policies that contributed to poverty rate decreases in previous years — and then the subsequent increases upon their expiration — include expansions of the federal Child Tax Credit and Earned Income Tax Credit, federal Economic Impact Payments, and expanded unemployment benefits.

Source: Budget Center analysis of US Census Bureau, Current Population Survey public-use microdata

The Cost of Child Care in California Is a Large Share of Family Budgets, Especially for Single-Parent Families

Child Care Costs for an Infant and a School-Age Child as a Share of Annual Family Income, 2024



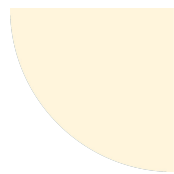
Thousands of California families cannot afford child care without public funding — expanded access is vital.

Note: Cost of care is for a licensed center in California in 2021 (full-time for an infant and prorated according to the school year for a school-age child) adjusted for inflation to reflect 2024 dollars. Costs are based on counties' median cost of care weighted to reflect each county's population of infants and school-age children.

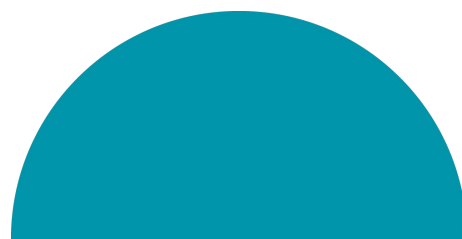
Source: Budget Center analysis of data from the California Department of Social Services, 2021 Regional Market Rate Survey and US Census Bureau, American Community Survey

SECTION 2:

California's Child Care Programs



California's child care programs are offered through a variety of settings. While some program elements are the same across programs, others vary, such as:

- Child & family eligibility
 - Program type
 - Provider settings
 - Cost to the family
- 

California Department of Social Services: CalWORKs Programs

Who: Current or former CalWORKs cash aid recipients who are engaging in certain job or training opportunities and remain income eligible. CalWORKs child care is offered in stages based generally on families' time in the program.

Program Type: Voucher-based program that allows families to find care with a provider of their choice. These programs are funded as an entitlement, and enrollment is not capped.

Provider Settings: Family Friend and Neighbor caregivers; licensed, home-based child care providers; child care centers

Ages: 12 and under; exceptional needs and severely disabled children up to age 21

Payment: Free under 75% of the state median income (\$95,504 for family of 4), and a copayment of no more than 1% for families with incomes up to 85% of state median income (\$108,237 for a family of 4).

California Department of Social Services: Alternative Payment Provider Program

Who: Families at or below 85% of the state median income (\$108,237 for family of 4).

Program Type: Voucher-based program that allows families to find care with a provider of their choice. Vouchers capped based on available state and federal funds.

Settings: Family, Friend, and Neighbor caregivers; licensed home-based child care providers; child care centers

Ages: 12 and under; exceptional needs and severely disabled children up to age 21

Payment: Free under 75% of the state median income (\$95,504 for family of 4), and a copayment of no more than 1% for families with incomes up to 85% of state median income.



California Department of Social Services: General Child Care

Who: Families at or below 85% of the state median income (\$108,237 for family of 4).

Program Type: Licensed providers contracting directly with the state. Spaces capped based on available state and federal funds.

Settings: Family Child Care Home Education Network providers and child care centers *(must adhere to additional licensing guidelines)*

Ages: 12 and under; exceptional needs and severely disabled children up to age 21

Payment: Free under 75% of the state median income (\$95,504 for family of 4), and a copayment of no more than 1% for families with incomes up to 85% of state median income.



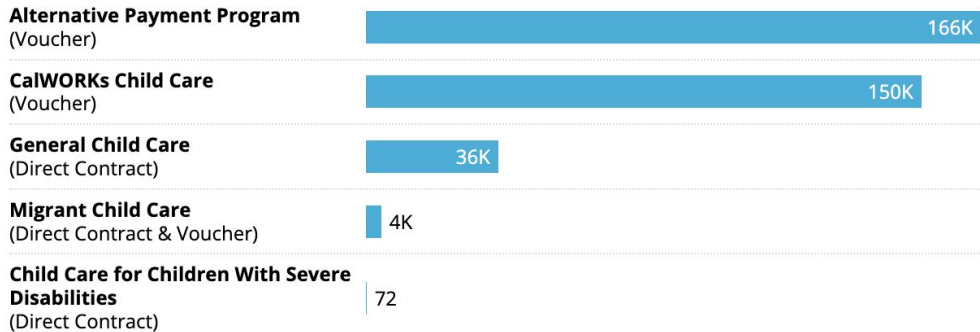
California Department of Social Services: Additional Child Care Programs

In addition to CalWORKs child care, the Alternative Payment Program, and the General Child Care program, the state offers three additional options for families. The income eligibility and payment levels are also consistent across these programs.

- **Migrant Child Care:** Subsidized child care offered via the Alternative Payment Program or the General Child Care program specifically for families with income primarily from working in agriculture.
- **Child Care for Children With Severe Disabilities:** San Francisco Bay Area program offered via providers that contract directly with the state for children with exceptional needs up to age 21.
- **Emergency Child Care Bridge Program:** Child care program specifically for children in foster care and their caregivers. This program offers time-limited vouchers as a “bridge” to more permanent early care and education programs.

The Vast Majority of Subsidized Child Care is Offered Through Voucher-Based Programs

Enrollment in Subsidized Child Care Programs in California, October 2024



Note: Enrollment is as of October 2024, except California Community College CalWORKs Stage Two, which reflects a California Community Colleges Chancellor's Office estimate for the fall 2024 school term.

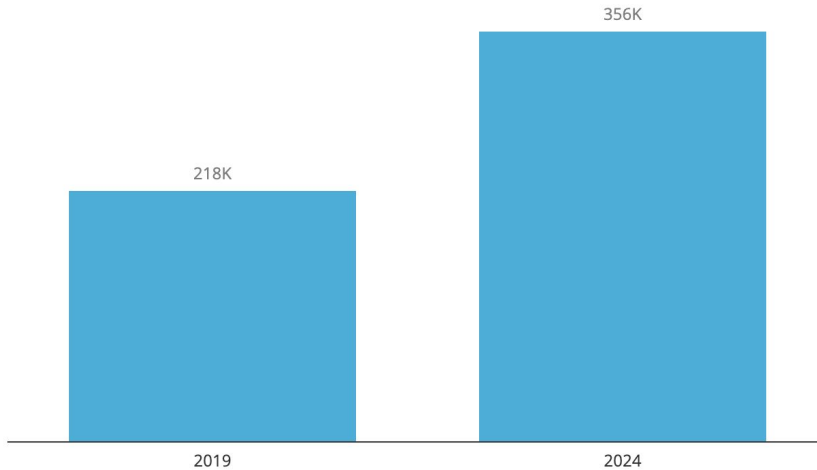
Source: Budget Center analysis of data from the California Community Colleges Chancellor's Office and the California Department of Social Services

Families access publicly funded child care through a provider that contracts directly with the state or by using a voucher to find a provider of their choice.

In either case, the number of families who can access care is generally limited by the number of spaces that have been funded with state and federal dollars — except for CalWORKs child care.

The Number of Children Participating in Child Care Programs Increased by 63% from 2019 to 2024

Enrollment in Subsidized Child Care Programs in California



Note: Data include CalWORKs and non-CalWORKs child care, including Migrant Child Care and Child Care for Children With Severe Disabilities. Data for the Emergency Child Care Bridge Program are not included. Enrollment is for October of the given year, except California Community College CalWORKs Stage Two, which reflects a California Community Colleges Chancellor's Office estimate for the fall school term.

Source: Budget Center analysis of data from the California Community Colleges Chancellor's Office, California Department of Education, and the California Department of Social Services.

Overall, enrollment in publicly funded child care programs has increased by 63% from 2019 to 2024, largely driven by investments made to the Alternative Payment Program.

State leaders committed to expanding access to publicly funded child care by adding more than 200,000 spaces across programs as part of the 2021-22 budget agreement, but they have yet to fully fund these new spaces. New spaces are also not included in the proposed 2026-27 budget. See Topic 5 for more information on this subject.

SECTION 3:

**California Department of
Education's Preschool Programs**

The landscape of early learning and care programs significantly changed in 2021.



California Department of
EDUCATION

Transitional
Kindergarten

California State
Preschool Program

CaWORKs Child Care

Alternative Payment
Child Care

General Child Care

Migrant Child Care

Emergency Child Care
Bridge



In an effort to support a more integrated and coordinated system of care, management of child care programs was transferred from the California Department of Education (CDE) to the Department of Social Services as of July 1, 2021.

Oversight and implementation of Transitional Kindergarten (TK) and the California State Preschool Program (CSPP) (i.e., “preschool programs”) remain with CDE.



CDE's ECE programs are part of California's mixed delivery system.

- Programs across the CDSS and CDE programs are part of what's known as California's "mixed delivery system."
- Mixed delivery refers to a system that allows families to choose programs for their children that best meet their needs and preferences such as location, hours, and curriculum.
- However, bifurcating programs across two state agencies (CDE and CDSS) has added complexity to truly achieving a mixed delivery system in California.

California Department of Education: California State Preschool Program



Who: Families at or below 100% of the state median income (\$127,338 for a family of 4).

Program Type: Licensed providers contracting directly with the state. Spaces capped based on available state funds.

Settings: Public schools or licensed child care centers

Ages: 3 & 4 year-olds; temporarily serves 2 year-olds until 2027

Payment: Free under 75% of state median income, and a copayment of no more than 1% for families with incomes up to 100% of state median income.

California Department of Education: Transitional Kindergarten

Who: Any family with an age-eligible child

Program Type: First year of a two-year kindergarten offered in public schools

Settings: Public schools

Ages: Children who turn 4 before September 1 of that school year

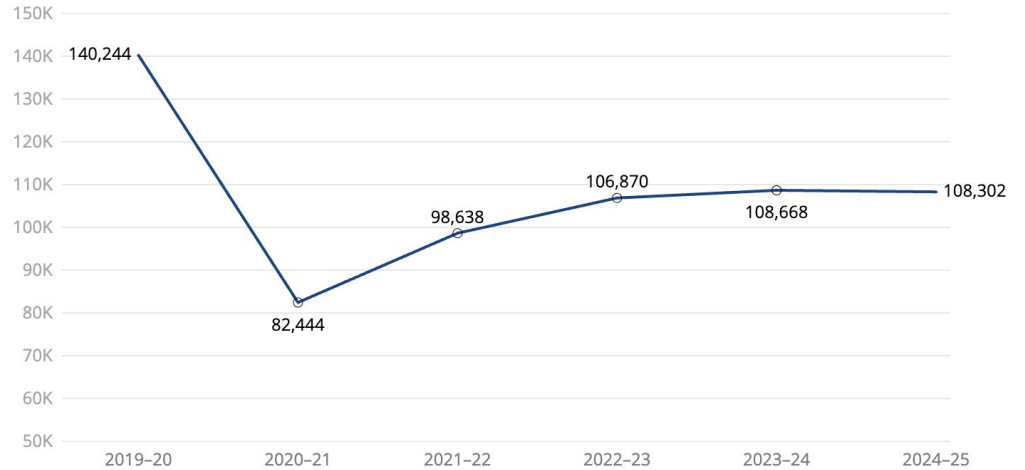
Payment: Free



CSPP enrollment dropped by more than 40% during the pandemic, and families have not returned to CSPP classrooms at pre-pandemic levels.

Enrollment in the California State Preschool Program

Total Number of Children Enrolled in CSPP, 2019-2024



Note: CSPP is the California State Preschool Program. Enrollment numbers reflect children's school-year age (i.e., cohort age), as opposed to their chronological or statutory age. Data reflect the two-month average enrollment for October and April of the school year.

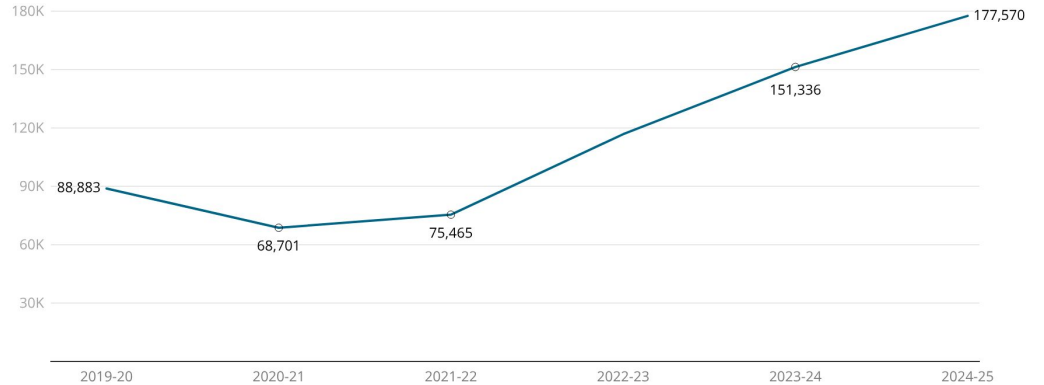
Source: California Department of Education

TK enrollment has grown 135% following the launch of universal expansion in 2021.

However, attendance has remained below state projections.

California's Transitional Kindergarten Enrollment Pre and Post Transition to Universal

Transitional Kindergarten Enrollment in California, 2019-20 to 2024-25



Note: Transitional Kindergarten began expanding to serve all 4-year-olds in the 2021-22 school year. This expansion was completed in 2025-26.

Source: California Department of Education

Program expansions, policy changes, and family preferences, are some factors that have shaped enrollment in recent years.

- **Growth in preschool programs was uneven, with TK driving most of the increase.** From 2021-22 to 2023-24, total enrollment in preschool programs — including TK, CSPP, and Head Start — all grew, but most of the increase was due to TK.
- **TK is likely reducing 4-year old enrollment in other preschool programs.** From 2021-22 to 2023-24, CSPP saw modest gains in 3-year-olds, especially in full-day programs, but 4-year-old enrollment declined in part-day settings by about 9%, likely reflecting the impacts of TK.
- In the context of declining 4-year olds, **CSPP temporarily serves two-year olds through 2026-27.**

SECTION 4:

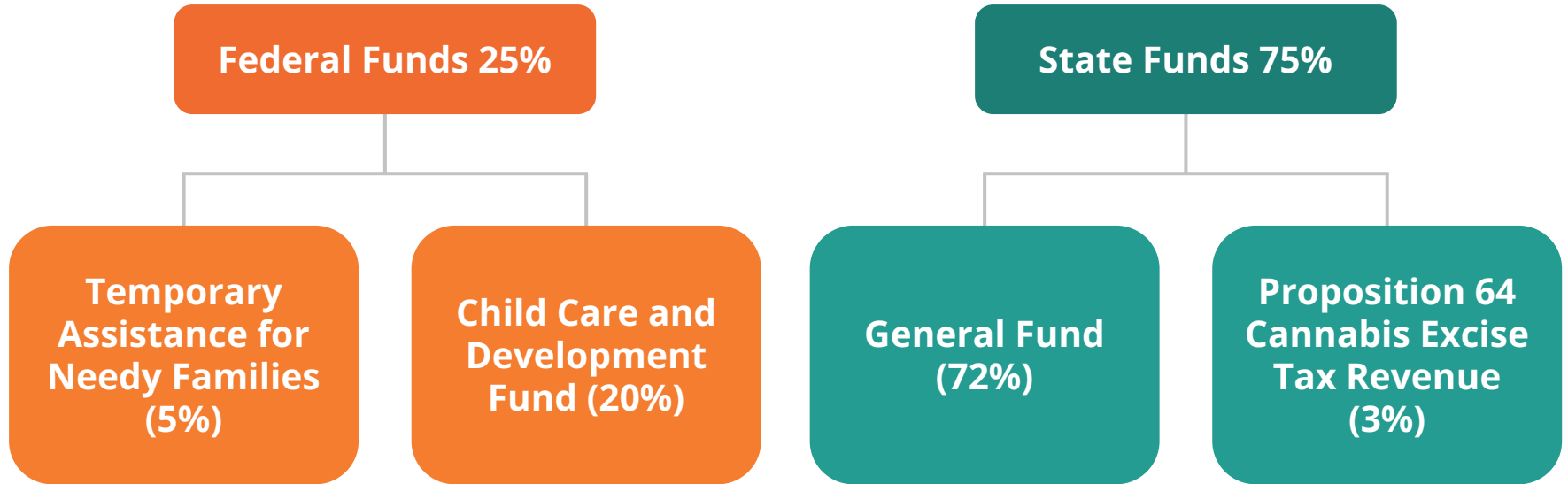
**California Child Care &
State Preschool Program
Funding Trends**

Child care and state preschool programs have multiple funding streams.

- Funding sources for child care programs have changed over the years and remains complex.
- Primarily, **child care and state preschool programs were once funded through the Proposition 98 guarantee** — the minimum funding guarantee for TK-14 schools.
 - **Child care programs were removed from Proposition 98** during the 2011-12 state fiscal year, due to the Great Recession.
 - Funding for the California State Preschool Program (CSPP) has shifted over time from full funding under the Proposition 98 guarantee to present day where CSPP programs operating at Local Education Agencies are funded with Proposition 98 dollars, but other community-based programs are funded with other sources.
- **The complexity of funding streams is often a challenge** for improving and expanding child care programs.

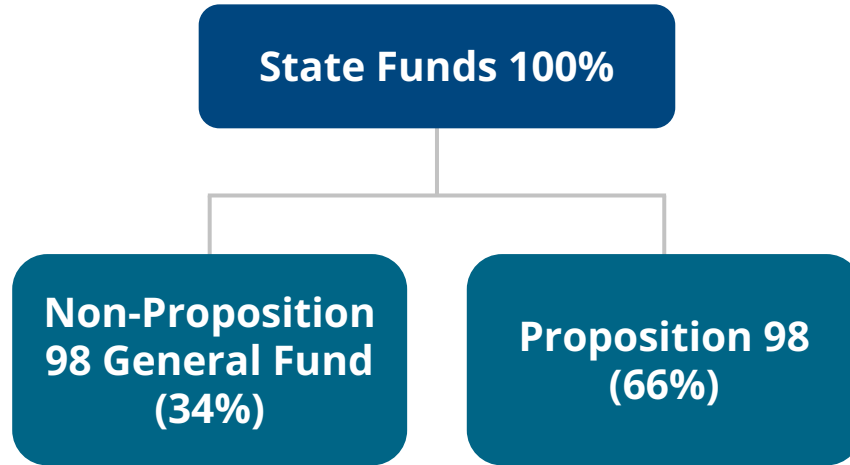
The majority of funding for CDSS child care programs comes from the General Fund.

Percentages reflect the 2025-26 Budget Act



The majority of funding for CSPP come from Proposition 98.

Percentages reflect the 2025-26 Budget Act



Resources for Transitional Kindergarten and CSPP have increased over time.

- CSPP funding continues to increase. The increase from 2025-26 to the proposed 2026-27 budget is shown below:
 - **2026-27:** \$1.96 billion (Prop. 98 dollars), \$1.03 billion (General Fund)
 - **2025-26:** \$1.79 billion (Prop. 98 dollars), \$1.02 billion (General Fund)
- Universal TK was fully implemented during the 2025-26 school year at the reduced ratio of 1 adult to 10 children.
 - The Proposition 98 guarantee, in turn, is \$1.9 billion more than it would have been without the plan for universal TK.
 - Likewise, General Fund dollars that would have otherwise been available for other priorities, including child care or food assistance, have been reduced by the same amount.

CSPP has the funding to enroll far more children.

- According to the Legislative Analyst's Office, the budgeted amount for CSPP exceeds program costs because CSPP is not reaching full enrollment.
- This trend has occurred over the last several years.





A few key reasons explaining CSPP enrollment trends include:

- **Family preferences:** Programs may not meet families' needs (e.g., inconvenient hours or location).
- **Over allocation of funds due to rate increases:** During some years, the Legislature and the Governor have over allocated funds to CSPP for rate increases specified in statute. When these funds go unused, they revert back to the state to be used for other purposes.
- **CSPP program readiness:** Some funded programs are not yet ready to open their doors. Sometimes these funds that are on hold revert to the state while the program is getting ready to serve children.

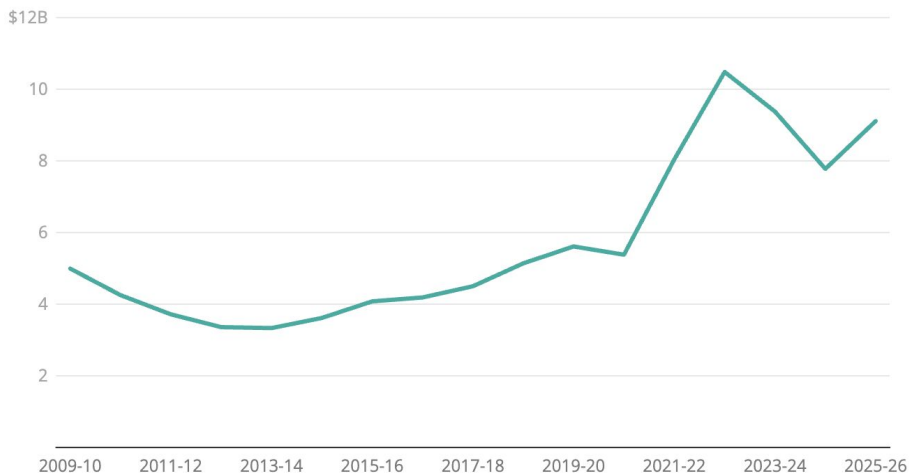
The Great Recession resulted in a cut to annual funding by 30%, **eliminating 110,000 child care spaces.**

Child care programs were incrementally restored over time, bolstered by one-time federal dollars.

While funding has increased overall in recent years, **child care programs remain underfunded.**

California's Child Care and State Preschool Programs Have Weathered Dips and Spikes in Funding

Enacted funding for child care and state programs from 2009-10 to 2025-26 adjusted for inflation

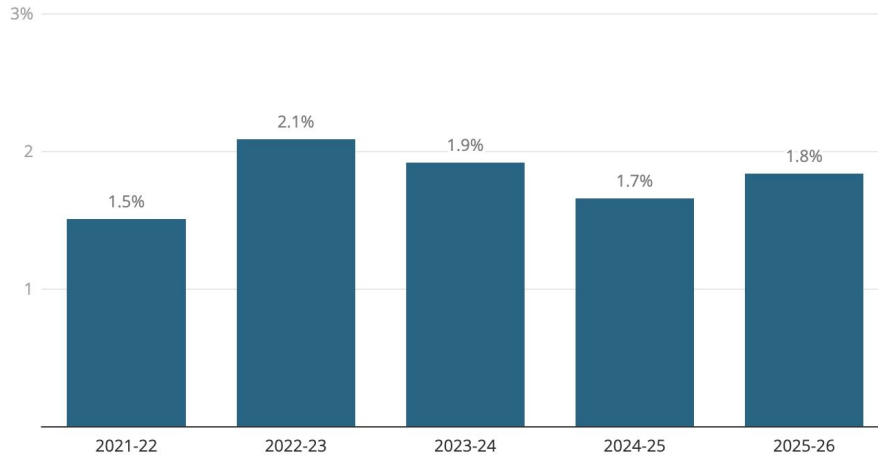


Note: Funding data have been adjusted for inflation to 2025-26 dollars. Totals include state and federal dollars for both subsidized slots and support and quality programs. Funding amounts reflect state and federal dollars for CalWORKs and non-CalWORKs child care and development programs and the California State Preschool Program. Funding for Transitional Kindergarten is not included.

Source: Budget Center analysis of data from the California Department of Finance, Department of Education, and Department of Social Services

Child Care and State Preschool Funding has Consistently Fallen Around 2% of the Total State Budget

Child care and state preschool funding as a percentage of the total enacted state budget, 2021-22 to 2025-26



Note: Funding for subsidized child care and state preschool includes enacted federal and state dollars for both subsidized slots and support and quality programs. Funding for Transitional Kindergarten is not included.

Source: Budget Center analysis of data from the California Department of Finance, Department of Education, and Department of Social Services

Investments in child care and CSPP have largely reflected budget capacity.

The state has yet to invest more than 2.1% of the budget toward child care and CSPP.

Child care program expansion must be interpreted in the context of the entire state budget.

SECTION 5:

Key Child Care Challenges

Child Care remains a broken market.

Child care is a “broken market,” meaning families cannot afford to pay what child care actually costs, and providers cannot survive being paid what families can afford.

- Overall, California’s families and child care providers continue to face numerous challenges.
- Key among these challenges are:
 - The lack of publicly funded child care spaces.
 - Low child care provider wages.



California's promise for more child care spaces is broken.

Promise Made:

- In 2021-22, the Newsom administration **promised 206,800 new publicly funded spaces** by 2025-26

Promise Paused:

- The administration paused this promised expansion in 2023-24.
- Roughly 129,800 spaces of the promised amount have been funded.
- During the pause, the administration promised in statute to add **44,000 spaces in 2026-27 and 33,000 in 2027-28**

Promise Broken:

- **Despite what is in statute, no new spaces** are proposed in the 2026-27 budget
- Additionally, there is no commitment to fulfilling the promise; remaining spaces indefinitely paused.

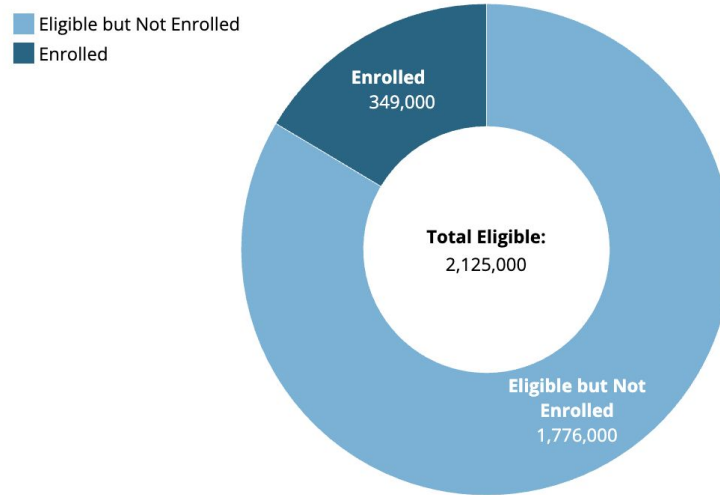
The Newsom Administration's broken promise for new spaces is a significant problem.

In 2024, *only one in six* of California's children eligible for child care actually received services.

When state and federal lawmakers fail to fully fund child care programs, tens of thousands of eligible families are unable to access affordable care and are forced to choose between going to work and caring for their child.

Only 16% of California Children Eligible for Subsidized Child Care are Actually Enrolled

Estimated Number of California Children Eligible for Subsidized Child Care = 2,125,000



Note: Enrollment is for children from birth through age 12 in October 2024, except for California Community College CalWORKs Stage Two, which reflects a California Community Colleges Chancellor's Office estimate for the fall 2024 school term. Excludes children enrolled in the California State Preschool Program or the Handicapped Child Care Program.

Source: California Department of Social Services, California Community Colleges Chancellor's Office, and Budget Center analysis of US Census Bureau, 2024 American Community Survey data

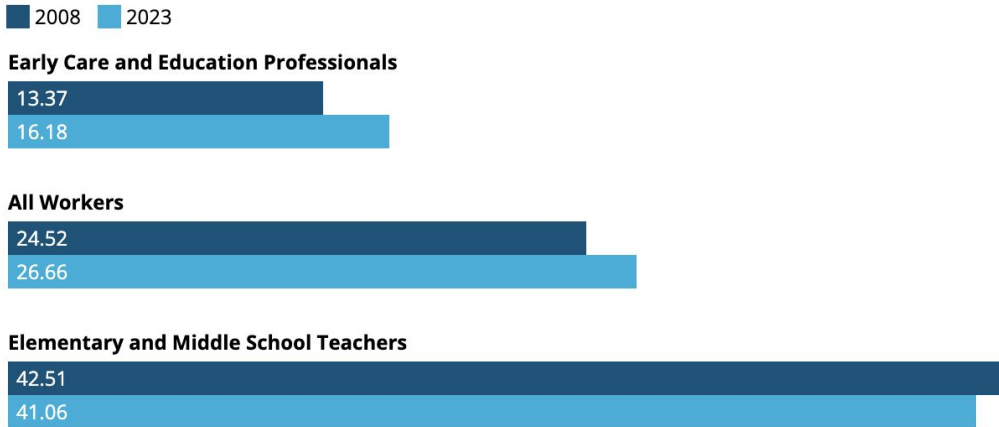
Provider pay remains severely below the “cost of care.”

- For example, small family child care providers are currently being paid **only 28% of the “cost of care”** for infant rates (*reflects the median of all counties*).
 - This is as low as 24% in San Benito and Monterey Counties.
- The only new adjustment to provider rates in the proposed 2026-27 budget is a 2.41% cost-of-living adjustment.



ECE Professionals' Earnings Fall Far Below Teachers', Even with Gains Over the Past 15 Years

Median Hourly Earnings in California (2023 Dollars)



Note: Workers include the employed population age 16 and over working more than 10 hours a week and 27 weeks per year, including self-employed individuals.

Source: Budget Center Analysis of US Census Bureau, American Community Survey data

Expanding access to affordable child care in California will require a larger workforce, but high turnover among early education professionals is driven by low pay and few benefits.

Meeting family care needs will require more professionals who are paid fairly for their vital work, but the current subsidized payment structure makes this difficult.

Rate reform is intended to address fair pay, but next steps are unclear.

California is developing a new single rate structure to pay child care providers based on the estimated cost of care rather than what families can afford to pay. However, the proposed 2026-27 budget lacks:

- Any information on when the state will implement a single rate structure.
- No new resources for implementing new rate structure.



Rate reform remains an ongoing, complex issue.

See [this Q&A](#) for more information on the path to rate reform.

Q&A

Demystifying California's Child Care Provider Rate Reform Process

How and why is the state changing the way it pays child care providers?

March 2026 | By [Laura Pryor](#) and Kristin Schumacher



Questions? Reach out to us!

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