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## **While Governor’s Budget Protects Progress, Advocates Call for Continued Investment in ECE**

FREMONT, Calif. [January 9, 2026] – Today, Governor Newsom released his proposed 2026–2027 State Budget.

The budget proposal was released amidst an uncertain fiscal and political environment, and at a time when our commitment to protecting our children and families will be more important than ever. Kidango celebrates the historic investments in Early Care and Education (ECE) over the last several years and is grateful for the protection of those investments in this budget. However, our state must go further to address families without care and teachers without proper wages. As our governor said in his final State of the State Address “we have to do more than resist what is wrong – we need to keep building what is right”.

### **Key Takeaways from the Governor’s Proposed Budget:**

- **Cost-of-Living-Adjustment (COLA):** The budget includes a 2.41% COLA for California State Preschool Programs and for child care programs administered under the California Department of Social Services for a total increase of \$89.1 million ongoing General Fund.
- **Rate Reform:** There are no details mentioned at this time regarding the ongoing efforts to finalize and fund the Single Rate Reimbursement Structure for providers, or the ongoing efforts to move to an enrollment-based prospective payment structure.
- **Child Care Spaces:** There are no new spaces mentioned in the 2026–2027 Budget Summary to reach the promised 200,000 spaces. The 2024–2025 Budget included a timeline for the release of the remaining spaces, which was intended to be 44,000 new spaces this year and 33,000 new spaces in 2027–2028.
- **Governance Changes:** The budget implements the 2002 Master Plan recommendation to move oversight authority of the management of the California Department of Education and support of Local Educational Agencies under the State Board of Education.

Today, only one in four California families living in poverty has access to child care. This disparity is exacerbated by a workforce shortage and rising costs of housing and utilities, among other expenses. To ensure all children have the opportunity to thrive in kindergarten and in life, Kidango calls for continued investment in Early Childhood Education.

“One thing we can be certain about is that early care and education is one of the most sound investments we can make,” said Kidango CEO Scott Moore. “For developing future generations of learners and productive citizens, increasing workforce participation, protecting and strengthening families, growing local, state, and federal economies, and for simply being on the right side of history to do right by our kids. We are grateful for the historical progress that has been made under the Newsom Administration and look forward to seeing how we can continue to create a lasting and meaningful legacy together this year.”

Understanding the reality of this moment in time, Kidango asks the administration, in partnership, to continue standing up for the children and families in California, particularly by increasing reimbursement rates and teacher wages and shoring up our ECE systems and infrastructure. Our state cannot afford to slide backwards. Kidango’s research, policy, and advocacy team is committed to partnering with our state leaders in the year ahead to protect our collective future.

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**Kidango** is an early learning nonprofit and the largest childcare provider in the San Francisco Bay Area. Kidango serves low-income families across diverse communities and accommodates more than 4,000 children each day. Guided by a commitment to equity and opportunity, Kidango works to ensure every child is on a path to thrive in kindergarten and life. For more information, visit [www.kidango.org](http://www.kidango.org).