COMMENTARY

Making California's Early Childhood Investments Work for Families

Progress, Implementation, and the Path to a Coherent Early Childhood System

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"*The bills are piling. [I am] constantly having to decide between my kid's asthma medicines and electric bills; . . . paying so much for child care that closes constantly.*"—Sacramento County Parent

Raising a family has become increasingly unaffordable for many in our state, with parents and caregivers of our youngest children facing untenable trade-offs—delaying bills and skipping meals to cover basic needs like food, housing, utilities, health care, and child care. These economic pressures intensify when families must navigate fragmented early childhood systems that are difficult to access when support is needed most.

California has made historic investments in early childhood during the past decade, including wage and tax supports, paid family leave, universal preschool and transitional kindergarten (TK), Medi-Cal transformation, housing and homelessness supports, and behavioral health investments. Yet fragmentation and limited coordination have prevented many families from fully realizing these benefits. Recent federal actions, including funding cuts, curtailment of long-standing programs serving children and families, and the freezing of federal child care and family assistance grants, are constraining the availability of affordable, high-quality child care and complicating the implementation of many state and local initiatives that benefit young families as policymakers work to stabilize safety net services.

This commentary examines the interconnected hardships facing California families with young children and outlines three strategies to improve implementation and coherence across early childhood investments, focusing on early care and education (ECE) as a critical place to start:

- simplify governance for coherence and accountability across the 0–5 ECE system;
- expand investments for children ages 0–3, where unmet need is now the greatest; and
- leverage workforce, existing funding, and infrastructure investments for greater impact.

Families Face Interconnected Hardships

Data from the RAPID Survey Project (based at the Stanford Center on Early Childhood) show that more than half of families with young children surveyed since 2022 struggled to afford basic needs, which research has shown in turn negatively affects children's well-being and development. In July 2025, hardship reached one of the highest levels recorded to date in the RAPID survey, with three in four families reporting challenges in accessing one or more essentials, such as rent, food, child care, and health care. Families at all income levels reported increasing difficulties with meeting basic needs, suggesting that the problem may extend beyond affordability alone.

Families simultaneously contend with long wait times for pediatric care, housing instability, high child care costs with limited availability, and economic precarity—intersecting challenges that no single system can solve. Managing rising prices while navigating multiple uncoordinated systems increases stress for parents and caregivers, with cascading negative effects on a family's stability and a young child's development. Young children, more than at any other developmental stage, thrive when their parents and communities are healthy and stable.[1]

Improving outcomes for young children now depends less on launching new initiatives than on strengthening implementation within a more aligned early childhood ecosystem. Consistent with research[2] and policy recommendations from leaders across California, lasting change requires building a coherent early childhood system that supports young children within the context of their families and communities.

An effective early childhood system aligns health, early learning, housing, economic, and family- and community-strengthening supports across agencies so that families experience stability rather than fragmentation during children's earliest years. Within this broader ecosystem, ECE represents one of California's most acute pressure points and a high-leverage opportunity to strengthen implementation and improve coherence across the early childhood landscape.

1

SIMPLIFY GOVERNANCE FOR COHERENCE AND ACCOUNTABILITY ACROSS THE 0–5 ECE SYSTEM

California invests billions in multiple programs, which are governed and administered by various government entities to support children ages 0–5. The complexity of funding and multiplicity of programs have long been recognized as problems in ECE systems across the country, including in California. While there has been progress in our state, fragmented governance and inefficient structures continue. The impact: families are forced to navigate a maze of complicated systems, eligibility rules, and waitlists while they struggle to make ends meet.

Simplifying governance across the 0–5 ECE system aligns well with Governor Gavin Newsom's recent proposal to reform TK–12 governance and establish "accountability, clarity, and coherence" within the education system. Further, comparative studies show that consolidated early childhood services and unified governance structures, supported by shared data systems and coordinated accountability, increase equity, efficiency, and responsiveness for children, families, and communities. With responsibilities shared between the California Department of Education (CDE) and the California Department of Social Services (CDSS), the state's dual-agency structure has made strides in its systems-alignment work. Localities bring an additional network of ECE partnerships, including through county First 5s, Local Planning Councils, and Resource & Referral agencies. Despite these partnerships, operational challenges and fragmentation persist. For families, this means it is difficult to verify eligibility; they receive inconsistent guidance across agencies; and they lack information about program availability as their children grow and transition. For providers, it means navigating differing eligibility processes, multiple funding streams with different reporting requirements, and shifting licensing and facility rules.

To fulfill the foundational goals of California's Master Plan for Early Learning and Care, strategies to simplify governance and reduce burdens on families and providers must include:

- developing effective opportunities for meaningful engagement of parents of young children about their needs and solutions for improved early childhood systems;
- reviewing state and local structures for effectiveness and integrating duplicated programs to ensure that families engage with streamlined systems;
- deepening cross-agency collaboration among CDE, CDSS, and First 5 California, including evaluating opportunities to consolidate departments to create fewer points of entry and better meet families' needs; and
- expanding partnerships between agencies that oversee child care with relevant departments within the California Health and Human Services Agency, given the centrality of family health in early childhood.

Together, these strategies will give us a better understanding of whether California's investments are working for families and how to improve them.

2

EXPAND INVESTMENTS FOR CHILDREN AGES 0–3

Child care availability and affordability affect the entire state's economy. When parents cannot access reliable care, they may reduce work hours or leave the workforce. This costs employers experienced staff, lowers productivity, and shrinks state tax revenue. Research estimates that the lack of access to licensed child care for California children under the age of 5 represents an annual economic loss of $34–$53 billion in household income, business productivity, and taxes. While this analysis does not comprehensively assess family demand, the findings signal the scale of economic risk created by underinvestment in child care systems.

Availability and affordability are inseparable from California's early childhood workforce crisis. Hourly pay for early child care assistant teachers in many parts of California falls short of the $20 fast food minimum wage, while a typical lead teacher earns only $21.00–$26.57 per hour throughout the state. Nearly half this workforce relies on public assistance. Chronic underpayment drives turnover rates of 20–30 percent each year statewide (and up to nearly 40 percent for some early care positions in the state's northern and central counties), resulting in programs that are understaffed, less stable for children, and less available to families.

TK represents a significant step forward for California's 4-year-olds and is now an essential part of the state's early learning infrastructure. The majority of parents of children enrolled in TK report that the program supports their children's learning and social-emotional development, indicating it's a positive experience for enrolled families. This underscores the importance of continued focus on awareness raising and outreach to communities that are harder to reach as well as continuous improvement in TK implementation.

California's next and most strategic opportunity to support young children and their families lies in strengthening ECE for children ages 0–3. A high-quality, mixed-delivery system—one that includes both public and private providers operating under a shared policy and funding framework—remains essential to meet families' expressed needs as well as to ensure choice and positive development.

However, access to ECE falls short for younger children, despite state incentives. For example, only one third of California's 3-year-olds gain access to a licensed preschool center. The supply gap for infants and toddlers is more acute, with disparities in access to licensed programs across California's counties. Licensed child care is only one of several forms of care, but limited access to child care may serve as a barometer for access across all care. Emerging research from the University of California (UC), Berkeley and Irvine, finds that there were five times as many licensed spaces per child for children ages 2–5 in 2023 as for children ages 0–1.[3]

TK expansion has also created significant market pressures. UC Berkeley research on Los Angeles County shows that while TK enrollment for 4-year-olds is rising rapidly in the region, younger children still lack access to ECE. Findings show that a declining child population and the continued impact of the COVID-19 pandemic have caused a significant decrease in the number of nonprofit and private-pay licensed day care centers in the county for children ages 2–5 since 2021. This decline appears to be greater in communities with higher growth in TK enrollment.

Policymakers can take targeted steps to support a high-quality, mixed-delivery system designed around how parents live, work, and raise their kids, including:

- incentivizing and providing technical assistance to the California State Preschool Program (CSPP) and California General Child Care and Development (CCTR) providers to develop or expand their classrooms for 2- and 3-year-olds, including extended hours;
- creating opportunities for larger providers to subcontract with smaller ones that may not have the scale to pivot to younger children in order to extend overall capacity and maintain field stability—no easy task as providers work to meet the staffing, facilities, and other licensure requirements of serving younger children as well as balance affordability and sustainability of services;
- focusing capital and facility modernization grants for both public and private organizations that are ready to expand infant, toddler, and 3-year-old care;
- reviewing licensing guidelines to find efficiencies and inconsistencies;
- developing support structures to stabilize family, friend, and neighbor care arrangements as well as to expand access to voucher programs;
- evaluating the financial-need thresholds to expand eligibility to subsidized care; and
- enhancing community outreach to make families aware of available providers (including TK) in order to increase awareness and, ultimately, enrollment.

Strategic investment in the 0–3 sector will strengthen the foundation of California's mixed-delivery ECE system—improving access, stability, and quality for infants and toddlers. These improvements will, in turn, reinforce the broader continuum of care by creating the conditions for smoother transitions into preschool, TK, and the early elementary grades that benefit children well beyond age 3.

3

LEVERAGE WORKFORCE, EXISTING FUNDING, AND INFRASTRUCTURE INVESTMENTS FOR GREATER IMPACT

California's investments in children and families span multiple sectors beyond ECE to include programs targeting health, housing, nutrition, safety, and well-being. To maximize these resources effectively, the state has the opportunity to develop a coordinated early childhood ecosystem through workforce investments, funding alignment, and infrastructure strengthening.

Invest in the workforce. The strength and stability of the ECE workforce are foundational to young children's healthy development and readiness for school. Children's outcomes are shaped by the quality and continuity of relationships with ECE educators, as well as by educators' preparation, instructional effectiveness, and use of developmentally appropriate practices. A substantial body of research demonstrates that compensation parity, access to benefits, and clearly defined professional pathways are key drivers of workforce retention and, in turn, program quality.[4] California's shift towards cost-based reimbursement represents an important step towards advancing pay equity and stabilizing the ECE workforce. Sustained investment in workforce pathways—including professional development and support networks, credentialing supports, and career ladders—is essential to building and maintaining the skilled workforce needed to expand high-quality early learning capacity.

Local initiatives in counties such as Alameda, San Francisco, and Sonoma illustrate the impact of wage and workforce investments on system stability, program access, and child outcomes. San Francisco's dedicated funding and implementation efforts, for example, have achieved measurable improvements in kindergarten readiness, expanded access to affordable child care for low- and middle-income families, and increased compensation for early educators. Implementing workforce strategies such as these throughout the state would help stabilize compensation while strengthening quality, capacity, and results across California's early learning system.

Align existing funding streams. Blending and braiding funding at both state and local levels is essential to maximize revenue, streamline services, expand eligibility, and improve the stability of community providers. Aligned contracting and payment systems, improved fiscal transparency, and supported shared fiscal infrastructure across agencies will enable dollars to flow more efficiently and equitably to where they are needed most. Emerging interagency efforts, such as those inspired bythe integrated service delivery model of California Advancing and Innovating Medi-Cal (CalAIM), offer promising frameworks for linking fiscal alignment with outcomes-based accountability. The Child Development Consortium of Los Angeles's funding model provides a concrete example that weaves together CSPP, CCTR, and private tuition funding in early childhood settings.

Strengthen infrastructure. Facility and infrastructure constraints are major bottlenecks for many California communities, where needs range from classroom renovation to new construction. Strengthening capital financing, simplifying approval and business license processes, waiving California Environmental Quality Act and other regulatory requirements where appropriate, and investing in community-based and public facilities that together support California's mixed-delivery approach can increase access.

A Coherent Early Childhood Ecosystem for California

To help young children thrive in California, policies must focus on the families and communities where they grow up. Simplifying ECE governance, expanding investments for children ages 0–3, and leveraging workforce, existing funding, and infrastructure programs could transform California's historic investments into a more coherent and equitable early childhood ecosystem.

Some implementation improvements can begin immediately, but others—including workforce stabilization, expanded eligibility thresholds, and facility investments—will require sustained funding commitments. With intentional focus on implementation, California will ensure that our investments deliver meaningful support to families and improve outcomes for young children statewide.

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1 See also: Chu, A. T., Bond, M. H., Rogowski, B., et al. (2025). Posttraumatic stress in infancy: The roles of cumulative trauma and caregiving context . *Infant Mental Health Journal 46*(5), 536–548. https://doi.org/10.1002/imhj.70015; Hattangadi, N., Cost, K. T., Birken, C. S., et al. (2020). Parenting stress during infancy is a risk factor for mental health problems in 3-year-old children. *BMC Public Health20*, 1726. doi.org/10.1186/s12889-020-09861-5

2 See also: Center on the Developing Child at Harvard University. (2021, April). *Three principles to improve outcomes for children and families, 2021 update*. developingchild.harvard.edu/wp-content/uploads/2024/10/3Principles_Update2021v2.pdf; Lombardi, J. (2024, March 21). *From program to place: A community systems approach to supporting young children and families* [Commentary]. Stanford University Center on Early Childhood. earlychildhood.stanford.edu/news/program-place-community-systems-approach-supporting-young-children-and-families

3 Jenkins, J., & Land, A. (2025). *Zero to three: A vision for universal child care in California* [Manuscript in preparation]. University of California, Berkeley and Irvine.

4 See also: Hoover Institution. (2024). *High-quality preschool pays off*. www.hoover.org/research/high-quality-preschool-pays

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