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**Sacramento, CA**

**CONTACT:** Iris Murillo, [Iris.Murillo@childaction.org](mailto:Iris.Murillo@childaction.org), 510.334.4491

**Child Action, Inc. CEO Responds to Governor Newsom’s May Budget Revision**

**Sacramento, California, May 15, 2025** Today, Child Action, Inc. issued the following statement in response to Governor Gavin Newsom’s revised budget proposal for the 2025-26 Fiscal Year. This statement is attributed to Child Action, Inc. CEO, Adonai Mack:

“Governor Newsom’s sustained commitment to California’s child care system has been essential to our ability to serve more than 17,000 children and 9,000 families in Sacramento County. These investments have helped parents stay in the workforce, sustained small businesses, and given children a strong and safe foundation to grow. Expanding access to care isn’t just good policy it’s a key driver of California’s rise as the fourth largest economy in the world.

We thank the Governor for maintaining \$70 million in child care administrative funding for another year, reappropriating \$1.1 million for direct deposit improvements, and reaffirming the commitment to submit a new rate structure by July 1, 2025. These actions reflect meaningful progress in modernizing and stabilizing the infrastructure that working families and child care providers rely on.

We also appreciate the proposed \$44.8 million to help agencies like ours administer payments beyond traditional contracts. This flexibility allows us to respond more quickly and effectively to family needs.

We are grateful for the support of both the Administration and the Legislature in continuing cost of care plus payments while the permanent rate structure is being developed. These payments are a vital lifeline for child care providers the backbone of California’s early care and education system. The proposed \$21.8 million in one-time federal funds to begin automating the new single rate structure by July 1, 2027, further demonstrates the Administration’s long-term commitment to reform.

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Child Action, Inc. Child Action, Inc. (CAI) is a private, non-profit corporation founded in 1976 to promote the education and social welfare of children and families and to advocate on their behalf. Our programs include resource and referral services for families seeking child care, child care subsidies for qualifying families, recruitment and professional development of the child care workforce, and family education and support.

The proposed \$52 million to support the transition to prospective, upfront payments is also a welcome investment. Last year, we co-sponsored AB 2476 (Bonta) to ensure providers receive timely and predictable payments. Aligning public and private pay systems helps providers stay in the field and keep their doors open.

However, we must raise serious concerns about proposed cuts to the Emergency Child Care Bridge Program for foster children. The proposed \$42.7 million General Fund reduction in 2025 26, and a further \$51 million ongoing cut to the Bridge Program, would have devastating consequences for our most vulnerable children those in foster care. This trauma informed program has helped stabilize placements and improve outcomes. Cutting it would undermine years of progress.

We urge the Legislature to:

- Establish reimbursement rates that reflect the true cost of care, enabling providers to offer high-quality services while maintaining financial viability. Many providers still earn below minimum wage, despite serving essential roles in child development and regional economic stability.
- Protect and expand the promised 200,000 new subsidized slots by 2028. In Sacramento County alone, over 4,300 children are currently on the waiting list for subsidized care. These families cannot afford further delays.
- Maintain payments based on certified enrollment rather than attendance, which has been a lifeline for providers during uncertain times and helps ensure continuity of care for children.

We are encouraged by the Administration's direction and grateful for continued support. But we must go further. The strength of our workforce and the future of our state depend on a robust, equitable, and fully funded child care system."

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