



Bill Summary

AB 2314, the Child Care Stability and Alignment Act of 2026, strengthens fiscal accountability and improves alignment between child care enrollment and funding practices.

This bill prioritizes full use of appropriated child care funds, protects family continuity of care, and increases transparency in the transfer and reporting of child care funds. It also modernizes fiscal monitoring practices to better reflect how voucher-based child care programs operate.

Background

California has made historic investments in subsidized child care to support working families and strengthen the child care workforce. Voucher-based programs, including the California Alternative Payment Program (CAPP), allow families to remain eligible for up to 24 months and operate across fiscal years.

These programs help families maintain stable care while supporting small child care providers across the state. Access to reliable child care allows parents to participate in the workforce, supports economic mobility, and helps families achieve greater financial stability.

However, fiscal monitoring practices often treat enrollment as if it resets each year. This misalignment can lead to under-expenditure of funds, delays in enrolling families, and transfers of funding away from high-need counties, even as many families remain on waiting lists.

Problem

California's voucher-based child care programs operate on 24-month eligibility periods but are monitored on annual fiscal cycles. This misalignment can result in underutilization of funds, even as eligible families remain on waiting lists.

In prior years, tens of millions of dollars in appropriated child care funding have gone unspent. In some cases, funds are transferred out of counties

before reasonable efforts are made to maximize local enrollment.

Enrollment balancing practices can also disrupt family stability. Siblings may be separated across providers, or families may be transferred between contractors despite remaining eligible for care. Additionally, contractors lack consistent timelines and written determinations for Voluntary Temporary Transfer (VTT) decisions, limiting transparency in how funds are redistributed.

Solution

AB 2314 improves fiscal alignment and accountability in voucher-based child care programs. The bill prioritizes full and timely expenditure of state and federal child care funds and requires reasonable efforts to maximize county-level enrollment before funds are transferred elsewhere.

The measure also protects continuity of care by preventing sibling separation or contractor transfers solely for enrollment balancing purposes. It modernizes fiscal monitoring practices to better reflect 24-month eligibility, cross-fiscal-year enrollment patterns, and anticipated certifications.

In addition, AB 2314 establishes clearer timelines and transparency for Voluntary Temporary Transfers by allowing contractors to submit requests at any time and requiring written determinations within 30 days. Finally, the bill requires an annual statewide report to the Legislature and Department of Finance detailing child care allocations, expenditures, and unspent funds to improve oversight and ensure existing resources are fully utilized.

For More Information:

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Support

- Community Child Care Council of Sonoma County (Sonoma 4Cs)
- Thriving Families California Foundation