

# Public Policy Report

Policy Roundtable for Child Care and Development  
September 15, 2021



## OVERVIEW OF PRESENTATION

- State Budget for FY 2021-22
  - Early Care and Education (ECE) Items
  - COVID-19 Pandemic Relief Package
  - CA State Preschool Program and Universal Transitional Kindergarten
  - CA Child Care Providers United Agreement
  
- Status of Priority Legislation

## STATE BUDGET FOR FY 2021-22

- Governor expected to release revisions to the 2021-22 budget proposed in January the week of May 10<sup>th</sup> (“May Revise”)
- Revisions based on latest economic forecasts

## ECE ITEMS – INCREASES ACCESS

- Expands access to the Alternative Payment Programs, General Child Care and Migrant Care by 200,000 slots over five years.

Program	Number of Slots	Date of Expansion
Alternative Payment Program	62,620	October 1, 2021
General Child Care (centers)	46,080	April 1, 2022
CA Migrant Alternative Payment	1,300	October 1, 2021
Emergency Bridge Fund	500	October 1, 2021
<b>Total</b>	<b>110,500</b>	

- According to the California Department of Social Services at their Child Care & Development Budget Briefing held on July 30th, slots will be allocated across program types in the 2021-22 as follows:



## ECE ITEMS – REIMBURSEMENT RATES

- Raises Regional Market Rate (RMR) from the 75<sup>th</sup> percentile of the 2016 RMR survey to the 75<sup>th</sup> percentile of the 2018 survey effective January 1, 2022
- Transitions direct service contractors from reimbursement based on the Standard Reimbursement Rate (SRR) to the RMR ceiling
- Establishes the reimbursement rate for license exempt providers receiving a subsidy from low-income families to 70 percent of the licensed family child care home rate ceiling effective January 1, 2022 through June 30, 2023.

## ECE ITEMS – FACILITIES DEVELOPMENT

Allocates \$250 million (\$150 million General Fund and \$100 million federal funds) for the acquisition, construction, development, and renovation of facilities with a focus on communities with significant gaps through September 30, 2024

## ADDITIONAL INVESTMENTS IN ECE

**Child Care Resource and Referral (R&R) Programs** – Provides \$10 million federal funds to support R&R partnerships to strengthen their role in serving as intermediaries in the development of new facilities and capacity and to streamline data collection processes.

**Cost of Living Adjustment (COLA)** – Provides for a 4.05 percent COLA for state subsidized early care and education programs.

**Direct Deposit** – Allocates \$9 million to the CDSS to contract with a vendor to provide direct deposit to contractors for subsidized early care and education services beginning January 1, 2022.

**Child Care Data Landscape** – Appropriates \$4.8 million General Fund to support planning and implementation for the design of a child care data system to meet the needs of families and the workforce in partnership with stakeholders as proposed in the Master Plan for Early Learning and Care.

## COVID-19 PANDEMIC RELIEF PACKAGE – STIPENDS

**Pre-child Enrollment Stipends** - One-time stipends of \$600 per child enrolled in a subsidized child care or state preschool program based on program data for March 2021 enrollment only.

**Tiered Licensed Provider Stipends** – One-time stipends to all licensed child care facilities, including temporarily closed facilities named in the “CCP COVID-19 Facility Closures” report who held a facility license on June 25, 2021, as follows:

- \$3,500 per family child care home
- \$3,500 per center with a maximum licensed capacity of 14 or fewer children
- \$4000 per center with a maximum licensed capacity of 15 to 24 children
- \$5000 per center with a maximum licensed capacity of 25 and 60 children
- \$6,500 per center with a maximum licensed capacity of more than 60 children

## COVID-19 PANDEMIC RELIEF PACKAGE – ADDITIONAL ITEMS

- Continues family fee waivers through to June 30, 2022.
- Adds 16 paid non-operational days for state subsidized child care provider operating or serving programs funded by a county, alternative payment program, or family child care home education network between July 1, 2021 and June 30, 2022 if the provider is closed due to COVID-19.
- Reimburses early care and education programs inclusive of alternative payment programs and state-subsidized centers, family child care homes, and license-exempt providers that serve children through an alternative payment program, state preschool, general child care program, family child care home education network or CalWORKs child care program based on families' certified need through June 30, 2022 (hold harmless).
- **Allocates \$25M to the existing Child Care Initiative Project (CCIP) to address child care deserts inclusive of addressing the unmet need for infant and toddler care and to support providers who closed during the pandemic with reopening; funds must be spent by September 30, 2023.**
- **Allocates \$10.6M to CA Inclusion and Behavior Consultation (CIBC) to support expertise, best practices, and well-being of providers to promote the health, safety, and well-being of the children and families they serve impacted by COVID-19; funds must be spent by September 30, 2023.**

# CA STATE PRESCHOOL PROGRAM AND TRANSITIONAL KINDERGARTEN

- Increases access to CSPP operated by LEAs as of July 1, 2021.
- States that 4-year-old children eligible to participate in CSPP include children whose 5th birthday occurs before September 1<sup>st</sup> of the fiscal year in which they enroll in a CSPP and whose parent or guardian has opted to retain or enroll them in CSPP.
- Phases in universal transitional kindergarten over five years, beginning in FY 2022-23 to full implementation by FY 2025-26.
- LEAs may use FY 2021-22 for planning and infrastructure development. Appropriates \$200 million in Prop 98 funds for planning and implementation grants for all LEAs and \$100 million one-time Prop 98 funds for LEAs to train and increase the number of early childhood educators.
- Provides funding to reduce the adult to child ratios from 1:24 to 1:12; further reduces the staff to child ratio to 1:10 beginning in the 2023-24 school year as funding is available.
- Encourages schools to consider using State Preschool to provide wraparound care for income eligible children to ensure a full-day of developmentally appropriate care and education; allocates \$130 million Proposition 98 General Fund for student access to wraparound services.
- Provides funding to update the Preschool Learning Foundations by January 2024 to reflect a prekindergarten year prior to kindergarten enrollment, but not limited to transitional kindergarten in a school setting and adapt the Desired Results Development Profile to reflect the updated standards, address preschool to second grade, and include direct assessment of literacy and math.
- Increases funding for the Special Education Early Intervention Preschool Grant program to provide services and supports in inclusive settings that have been determined to improve school readiness and long-term outcomes for infants, toddlers, and preschool pupils from birth to 5 years of age

# CA CHILD CARE PROVIDERS UNITED BARGAINING AGREEMENT

**Access** – Allocates \$3.16 million in one-time funding to increase licensed family child care capacity and award \$500 in one-time incentive payments to previously unlicensed individuals who obtain a family child care license by June 28, 2021 and maintain an active license for 12 consecutive months as funds are available until June 30, 2023.

**Joint Child Care Providers United-State of California Training Partnership Fund** – Allocates \$40 million in one-time funds to expand and strengthen training opportunities for family child care providers and address the workforce needs of California, as well as career, knowledge, and skill aspirations of all family child care providers.

**Reimbursement Rate Supplements** – Makes available \$289 million in one-time funding to support family child care providers through rate reimbursement supplements to be allocated over 24 months, beginning on January 1, 2022; CCPU to determine how funding may be used to supplement reimbursement rates that may include, but not be limited to, monthly rate supplements or lump-sum bonuses.



## STATUS OF PRIORITY LEGISLATION

- AB 865 (Quirk-Silva) – Requires **Alternative Payment Programs** to reimburse providers based on families' certified hours of need and increases percentage of funds may retain in reserves
- AB 1363 (Luz Rivas) – Requires SPI to develop procedures for identifying and reporting data on **Dual Language Learners** enrolled in CSPP
- SB 50 (Limón) – Expands upon program services provided by CSPP

# Joint Committee on Legislation

Co-chairs:

Dean Tagawa (Roundtable)

Lisa Wilkin (Planning Committee)

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# COMMENTS/QUESTIONS

