

RECOMMENDED PURSUIT OF POSITION – GOVERNOR’S 2023-24 BUDGET PROPOSAL AND LEGISLATION: EARLY CARE AND EDUCATION

Introduction

The Policy Roundtable for Child Care and Development Commission (Policy Roundtable) firmly believes that all young children in Los Angeles County have an undeniable right to develop and thrive without explicit and implicit bias. Due to structural inequity, all legislation and policies should be examined through an equity lens to build a system where all children have access to high quality, affordable early care and education (ECE). With this as a core value, the Policy Roundtable recommends that the Board of Supervisors adopt the following proposed pursuit of position to increase access to and strengthen the ECE system by:

- 1) Award and distribute ECE spaces appropriated in the 2023-24 budget by June 30, 2024 and include a sustainable and equitable plan to reach the 200,000 spaces commitment by 2026-27
- 2) Include in the state's Child Care Development Fund Plan Federal FY 2025-27 an alternative rate methodology based on the true cost of care by the July 1, 2024 submission
- 3) Require the Commission on Teacher Credentialing to remove the Child Development Associate Teacher Permit renewal restriction

This document provides a brief analysis of each proposed policy position and justification. It concludes with the recommended pursuit of position and consistency with existing Los Angeles County legislative policies.

- 1) Award and distribute ECE spaces appropriated in the 2023-24 budget by June 30, 2024 and include a sustainable and equitable plan to reach the 200,000 spaces commitment by 2026-27**

Summary Analysis of Proposed Budget Item

California’s subsidized child care and development system is a critical resource for families with low to moderate income seeking quality and affordable early learning and care. Poverty among young children has increased. For example between 2021 and 2022, poverty for California’s children ages birth to three years old rose 143% and 166% for children ages birth to five years old.¹ Black, Latinx, and other Californians of color, especially those with low income and children, were more likely to struggle paying for basic expenses.² According to the 2022 Los Angeles County ECE Needs Assessment, the median annual tuition for infant child care is \$18,917 in a center-based setting and \$12,378 in a family child care home.³ Additionally, there is an insufficient supply of ECE spaces across Los Angeles County and the high cost of child care has become a crucial workforce issue across all sectors, particularly impacting working women. The estimated annual economic impact of the lack of infant/toddler child care on California is \$17 Billion.⁴

¹ Poverty Rapidly Increased for California’s Youngest Children, California Budget and Policy Center. March 20, 2024 <https://calbudgetcenter.org/resources/poverty-rapidly-increased-for-californias-youngest-children/>

² Millions of Californians Are Struggling to Make Ends Meet. California Budget and Policy Center. March 22, 2024 <https://calbudgetcenter.org/resources/millions-of-californians-are-struggling-to-make-ends-meet/>

³ Child Care Portfolio. (2023). California Child Care Resource and Referral Network. March 20, 2024 https://rrnetwork.org/research/child_care_portfolio

⁴ \$122 Billion: The Growing, Annual Cost of the Infant-Toddler Child Care Crisis. (2023). Council for a Strong America. March 23, 2024 <https://www.strongnation.org/articles/2038-122-billion-the-growing-annual-cost-of-the-infant-toddler-child-care-crisis>

California's 2021-22 budget set a goal of adding 200,000 new subsidized child care spaces by 2025-26. As of 2023-24, the state funded approximately 146,000 of these 200,000 new spaces but only 118,000 spaces materialized due to a slower timeline with the General Child Care contract allocation. As a result, 28,000 child care spaces of the 146,000 budgeted for 2023-24 have not been created. In fact, the number of child care spaces being funded in 2023-24 has stayed stagnant at 118,000, and the expansion deadline was extended from 2025-26 to 2026-27, with the intention of adding the remaining child care subsidies starting in 2024-25. The proposed 2024-25 budget adds the 28,000 child care spaces to the current 118,000, totaling 146,000 new spaces for children at a cost of \$2.1 billion. While the proposed 2024-25 budget includes funding for the 28,000 delayed spaces, it does not actually expand the total number of child care subsidies beyond the 146,000 spaces. The Governor maintains his commitment to fund all 200,000 child care spaces by 2026-27; however, the timeline for funding the remaining 54,000 spaces by this deadline remains unclear.⁵ In response to the Governor's budget, the ECE Coalition released its 2024-25 advocacy letter, signed by more than 30 organizations, that requests the 28,000 child care spaces budgeted for 2023-24 are funded and distributed in FY 2023-24 and the state provides a sustainable and equitable plan to reach the 200,000 spaces commitment by 2026-27.

Justification

The insufficient supply of subsidized ECE spaces is causing additional financial strain on families with low income and reduces the state's ability to optimize its economic growth. It is recommended that Los Angeles County support the ECE Coalition's request that the 28,000 spaces budgeted for 2023-24 are funded and distributed in FY 2023-24 and the state provides a sustainable and equitable plan to reach the 200,000 spaces commitment by 2026-27.

2) Include in the state's Child Care Development Fund Plan Federal FY 2025-27 an alternative rate methodology based on the true cost of care by the July 1, 2024 submission July 1, 2024 submission

Summary Analysis of Proposed Child Care and Development Fund Plan for California

Current child care subsidy reimbursement rates are based on the 75th percentile of the 2018 regional market rate parents pay for child care. Unfortunately, the current reimbursement rates do not cover the full cost of operating ECE programs serving income eligible families. Subsidy reimbursement rates result in inadequate wages for early educators and the combination of low wages and few benefits drive early educators away from the profession, as well as deter new people from entering the ECE workforce. According to the Center for the Study for Child Care Employment, 65 percent of California's ECE workforce are women of color.⁶ In addition, the Bureau of Labor Statistics stated that Los Angeles County's average annual salary in 2022 for a child care worker is \$36,160, a preschool teacher is \$47,910, and a kindergarten teacher is \$97,490. By comparison, the living wage in Los Angeles County for a single adult with one child is \$91,115 and a two-adult family with two children is \$125,411.⁷ Inadequate reimbursement rates are causing programs to struggle to find qualified staff and are resulting in not being able to enroll enough young children to meet its maximum license capacity.

⁵ First Look: Understanding the Governor's 2024-25 State Budget Proposal. California Budget and Policy Center. March 21, 2024 <https://calbudgetcenter.org/resources/first-look-understanding-the-governors-2024-25-state-budget-proposal/#:~:text=The%202021%2D22%20enacted%20budget.of%20these%20200%2C000%20new%20slots>

⁶ Kim, Y., Austin, L.J.E., & Hess, H. (2024). The Multilayered Effects of Racism on Early Educators in California: An Examination of Disparities in Wages, Leadership Roles, and Education. Center for the Study of Child Care Employment, University of California, Berkeley. March 23, 2024 <https://cscce.berkeley.edu/publications/report/effects-of-racism-on-california-early-educators>

⁷ Living Wage Calculation for Los Angeles County, California. (2024). Massachusetts Institute of Technology. March 23, 2024 <https://livingwage.mit.edu/counties/06037>

In 2023, Child Care Providers United (CCPU), the statewide union representing licensed Family Child Care Home providers and license-exempt Family, Friend, and Neighbor providers, reached an agreement with the state that commits to using an alternative reimbursement rate methodology that employs a “cost estimation model” to develop a single rate structure for child care subsidy payment rates. Using a cost estimation model shifts subsidy payment rates from the regional market rate to using the cost it takes child care providers to provide care. Thus, this shift will likely result in reimbursement rates that allow providers to earn a higher wage and attract more people to the field.

The state has not finalized the alternative methodology and cost estimations which can have significant ramifications if they are not completed soon. Every three years the state conducts a planning process to determine how its Child Care and Development Fund (CCDF) program, authorized under the Child Care Development Block Grant Act, will use federal funds to increase the availability, affordability, and quality of child care services. The state’s CCDF Plan Federal Fiscal Years (FFY) 2025-27 must be submitted to the Administration for Children and Families Office of Child Care by July 1, 2024. In order for the state to implement the alternative methodology by FFY 2024-25 it must be included in the state’s CCDF Plan. If the state does not include the alternative rate methodology in the CCDF Plan, then the current regional market rate reimbursement methodology will remain in place.

Justification

The state is in the process of changing how it calculates reimbursement rates from a market-based approach to a cost-based model. This is a positive step forward to closing the gap between expenses and revenue, addressing long standing inequities in the system, and stopping the cycle of early educators continually receiving low wages. It is critical that the state establish the reimbursement rate for licensed ECE programs and license-exempt ECE providers based on the true cost of care. It is recommended that Los Angeles County support requests made by the Child Care Law Center, CCPU, and the ECE Coalition to have the California Department of Social Services and Governor: 1) create a robust alternative methodology that pays child care providers a fair and just wage based on their full cost of caring for children, 2) fully implement the alternative methodology with a single-rate structure as soon as possible, and 3) include details of the new single rate structure using the alternative methodology in the state’s CCDF Plan to be submitted by July 1, 2024.

3) Require the Commission on Teacher Credentialing to remove the Child Development Associate Teacher Permit renewal restriction

Summary Analysis of Proposed Legislation

Early care and education does not have the capacity to serve all families who need care and the system faces challenges to retain its current workforce which also must meet education and credentialing requirements. The Commission on Teacher Credentialing (CTC) established the Child Development Permit with six different levels and each permit level is initially issued for five years. Permits are renewable for successive five-year periods upon completion of 105 hours of professional growth, except for the Associate Teacher Permit. The Child Development Associate Teacher Permit can only be renewed once (after 5 years), and permit holders must progress to a Child Development Teacher Permit within 10 years or lose their permit. This is the only permit that restricts individuals to one renewal which means these individuals can work for a maximum of ten years as Associate Teachers and then must either meet requirements for a Teacher Permit, leave their position, or leave the field altogether. Child Development Associate Teachers provide important support in programs including providing nurturing relationships and safe, stable,

developmental enriching experiences for young children. Many providers with an Associate Teacher Permit are not seeking a higher position and the current Associate Teacher Permit renewal requirement forces a change they may not be seeking. This can result in the loss of experienced and valuable staff. To address this, AB 1930 (Reyes) requires that the CTC authorize Child Development Associate Permit holders to renew their permits without a limitation on the number of renewals if the permit holder completes professional development and early childhood education unit requirements.

Justification

Access to ECE programs is critical to Los Angeles County families and one of the most essential components for children in these programs is qualified, experienced, and caring adults. Associate Teachers provide important support and care for children in ECE programs. It is recommended that Los Angeles County support requests by Head Start California, EveryChild California, and First 5 San Bernardino to support AB 1930 which states, “on or before April 30, 2025, require the CTC to, by rule or regulation, authorize a holder of a Child Development Associate Teacher Permit to renew their permit without a limitation on the number of renewals if the permit holder completes specified hours of professional growth activities, as provided.”⁸ This bill would support providers' ability to retain experienced and valuable staff to serve children.

Recommended Pursuit of Position – Support

The Policy Roundtable, with input from the Joint Committee on Legislation, recommends a position of support in the following areas to improve the ECE system:

- 1) Award and distribute ECE spaces appropriated in the 2023-24 budget by June 30, 2024 and include a sustainable and equitable plan to reach the 200,000 spaces commitment by 2026-27
- 2) Include in the state's Child Care Development Fund Plan Federal FY 2025-27 an alternative rate methodology based on the true cost of care by the July 1, 2024 submission
- 3) Require the Commission on Teacher Credentialing to remove the Child Development Associate Teacher Permit renewal restriction by April 30, 2025

County Legislative Policy

These positions are consistent with the following Los Angeles County 2023-24 State Legislative Agenda:

1.3 Child Development and Early Care and Education

1. Support efforts to enhance the quality of ECE that set high standards for all services and program types, and address the needs of all children including those with disabilities and other special needs, and their families.
3. Support efforts to develop and sustain a well-qualified and highly skilled professional workforce prepared to serve the cultural and linguistically diverse child and family populations of Los Angeles County.
5. Support efforts to adequately fund high quality ECE services for all children from low- and moderate-income families.
6. Support efforts that streamline the administrative processes utilized by the California Department of Education and Social Services to expand access for low-income families,

⁸ AB-1930 Teaching Credentials: Child Development Associate Teacher Permit: Renewal (2023-2024), California Legislative Information. March 25, 2024
https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB1930

ensure continuity of care, and promote flexible use of ECE funding to meet the needs of families.

8. Support efforts to ensure that vulnerable children and their families have access to consistent, uninterrupted subsidized ECE services.
13. Support proposals that provide state funding to increase affordable child care options and increase the state's ECE reimbursement rate to a level that covers the true cost of care for young children.

Supporting Materials

The recommended pursuit of position is consistent with positions adopted by the following local and statewide entities:

1. Subsidy Spaces and Alternative Methodology Advocacy Letter, Early Care and Education Coalition. March 20, 2024 (attached)
2. Child Care and Development Fund State Plan Advocacy Comments, Child Care Law Center. March 6, 2024
3. Alternative Methodology Advocacy Letter, Child Care Providers United. March 1, 2024 (attached)
4. AB 1930 (Reyes) Support Letter, EveryChild California. February 29, 2024 (attached)
5. AB 1930 (Reyes) Support Letter, First 5 San Bernardino. March 8, 2024 (attached)
6. AB 1930 (Reyes) Support Letter, Head Start California. January 31, 2024 (attached)

Additional sources:

- \$122 Billion: The Growing Annual Cost of the Infant-Toddler Child Care Crisis. (2023). Council for a Strong America. March 23, 2024 <https://www.strongnation.org/articles/2038-122-billion-the-growing-annual-cost-of-the-infant-toddler-child-care-crisis>
- AB-1930 Teaching Credentials: Child Development Associate Teacher Permit: Renewal (2023-2024), California Legislative Information, March 25, 2024 https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB1930
- California Loses Nearly \$70 Billion Annually Through Tax Breaks. California Budget and Policy Center. April 2022 <https://calbudgetcenter.org/resources/california-loses-nearly-70-billion-annually-through-tax-breaks/>
- Child Care Portfolio. (2023). California Child Care Resource and Referral Network. March 2024 https://rrnetwork.org/research/child_care_portfolio
- First Look: Understanding the Governor's 2024-25 State Budget Proposal. California Budget and Policy Center. March 21, 2024 <https://calbudgetcenter.org/resources/first-look-understanding-the-governors-2024-25-state-budget-proposal/#:~:text=The%202021%2D22%20enacted%20budget,of%20these%20200%2C000%20new%20slots>
- Kim, Y., Austin, L.J.E., & Hess, H. (2024). The Multilayered Effects of Racism on Early Educators in California: An Examination of Disparities in Wages, Leadership Roles, and Education. Center for the Study of Child Care Employment, University of California, Berkeley. March 23, 2024 <https://cscce.berkeley.edu/publications/report/effects-of-racism-on-california-early-educators>
- Living Wage Calculation for Los Angeles County, California. (2024). Massachusetts Institute of Technology. March 23, 2024 <https://livingwage.mit.edu/counties/06037>
- Millions of Californians Are Struggling to Make Ends Meet. California Budget and Policy Center. March 22, 2024 <https://calbudgetcenter.org/resources/millions-of-californians-are-struggling-to-make-ends-meet/>

- Poverty Rapidly Increased for California's Youngest Children, California Budget and Policy Center. March 20, 2024 <https://calbudgetcenter.org/resources/poverty-rapidly-increased-for-californias-youngest-children/>



March 1, 2024

Child Care Providers United (CCPU) is the statewide union representing licensed family child care providers and license-exempt family, friends, and neighbor providers. Our members provide safe, nurturing, and developmentally-appropriate care to the children of thousands of working families in California.

Thank you for the opportunity to provide input regarding the draft Child Care and Development Fund (CCDF) Plan for California, federal fiscal years 2025 to 2027 (State Plan) that was released to the public on February 1, 2024.

Our comments are based on our experience listening to and representing family child care providers, our work with major stakeholders and researchers, and our analysis of applicable state and federal law. In general, our recommendations align with those from the Child Care Law Center generally and on Sections 3 and 4 as referenced below.

On June 30, 2024, we reached a historic two-year agreement (“Agreement”) with the state that paves the way for a more equitable child care program. The Agreement includes the first retirement fund for licensed family child care providers and funds the CCPU Workers Health Care Fund and the CCPU Training Fund. Child care providers also are paid based on a child’s enrollment for the maximum authorized hours of care rather than attendance for the next two years, improves rate categories for part-time and full-time care, strengthens payment timeliness, and additional one-time stipends.¹

Perhaps most momentous, the Agreement also charts a course to reform child care payments to be based on the full cost of care by 2025. In the Agreement, the state commits to using an “alternative methodology,” employing a “cost estimation model” to develop a single rate structure for child care subsidy payment rates.² This alternative methodology will be informed by the full cost it takes for child care providers to provide care rather than

¹ <https://childcareprovidersunited.org/wp-content/uploads/2023/10/MOU-State.CCPU-20230913-20250701.pdf> (viewed last 3/1/24).

² Ibid.

by the regional market survey based on the amounts child care providers charge to parents. Shifting to use of an alternative methodology will help ensure child care providers' subsidy payment rates reach the levels necessary to cover essential business and living expenses, a policy that is long overdue. Child care providers also receive a 20% average increase from January 1, 2024 to June 30, 2025 in their child care subsidy rate.³

These transformative policies promote stability for families, support children's healthy development, and help child care providers keep their doors open and care for their own families.

Despite these achievements, considerable work and investment still lies ahead. Data from the 2020 California Early Care and Education Workforce Study and Prenatal to 5 Fiscal Strategies survey conducted Fall 2023 provides deep insights into the experience of child care providers. Family child care providers earn very little from their work, as "almost 75% of providers don't pay themselves a salary" at all, and of those who do "the average salary is less than \$30,000 a year," or between \$7-10 per hour based on the reported 52-64 hour work week.⁴ The Workforce study also revealed that about one-third of family child care providers require at least one type of public assistance.⁵ This data only begins to explain reasons for California's child care supply crisis, where, as of 2021, only one in four children of working parents have licensed child care as an option for them.⁶

Furthermore, most family child care providers in California are Black, Latine, and immigrant women. In 2020, 98% of California's child care workforce were women and more than a third were multilingual. Additionally, "family child care providers are more likely to be women of color or immigrant women than the center-based workforce." California's diverse workforce of women closely mirrors the diversity of California's children.⁷ These women nurture a

³ The supplemental rate increases are also referred to as a cost of care plus rate. See Child Care Providers United, Child Care Providers United Contract, *supra* note 4 at 15 ("Beginning January 1, 2024, and upon full ratification of this agreement, through the duration of this agreement, all represented family child care providers shall receive a once per month per child served who is enrolled in subsidized child care cost of care plus rate as specified in the below chart...providers shall be reimbursed in accordance with the Regional Market Rate (RMR) ceilings as established In Welfare and Institutions Code Section 10374.5").

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<https://www.cdss.ca.gov/Portals/9/CalWORKs/CCT/CCDD/RQAP%20December%2012%202023%20ppt%200508.pdf> (last viewed 3/1/24)

⁵ Anna Powell, Raúl Chávez, Lea J.E. Austin, Elena Montoya, Yoonjeon Kim, & Abby Copeman Petig, U.C. Berkeley Ctr. Study Child Care Emp., "The Forgotten Ones"—The Economic Well-Being of Early Educators During COVID-19 (Feb. 16, 2022), <https://cscce.berkeley.edu/publications/brief/the-forgotten-ones-the-economic-well-being-of-early-educators-during-covid-19/>.

⁶ KidsData, Availability of Child Care For Working Families, <https://www.kidsdata.org/topic/99/child-care-availability/pie#fmt=262&loc=2&tf=141&ch=1247,1248&pdist=171> (last visited Feb. 16, 2024) (citing 2021 data from the California Child Care Resource and Referral Network).

⁷ Elena Montoya, Lea J.E. Austin, Anna Powell, Yoonjeon Kim, Abby Copeman Petig, & Wanzi Muruvi, U.C. Berkeley Ctr. Study Child Care Emp., Early Educator Compensation Findings From the 2020 California early Care and Education Workforce Study 13 (2022), <https://cscce.berkeley.edu/wp-content/uploads/2022/12/CSCCE-Early-Educator-Compensation-California.pdf>.

child's home language and culture and honor our vibrant communities. California must prioritize the well-being of our children and those who care for them. Now is the time to heal some of the harm to families caused by generations of systemic and endemic inequality, and work to build long-term solutions.

We encourage CDSS to create a forward-looking State Plan that meets the needs of California's children, families, and child care providers. California not only has the opportunity to fully comply with the federal Child Care Development Block Grant Act ("CCDBG"), but the state can also implement an alternative methodology that ensures child care providers are paid a fair and just wage; integrate and align publicly-funded child care programs with other public benefits programs to truly meet the needs of "the whole child and whole family;" and make all public information and opportunities for public engagement fully accessible by implementing language justice and inclusion best practices.⁸

CCPU joins our partners in urging CDSS to follow the recommendation of the Administration for Children and Families ("ACF"), to approach the development of the State Plan "in a cross-cutting integrated manner."⁹ While the draft State Plan includes constructive ideas in several areas, we concur with the assessment by the Child Care Law Center that it largely reports on the current provision of services rather than proposing how CDSS plans to improve the availability of child care, coordinate services, and compensate providers and the early childhood education workforce needed to ensure they can support their families and address California families' needs. We therefore also call upon CDSS to seize this opportunity to strengthen California's existing child care program by creating a State Plan that will move us toward an anti-racist, equitable, and enriching child care program that serves all of California's families who most need affordable child care.

There are a few sections upon which we feel additional feedback is necessary, which is provided below.

Overall: Pay Child Care Providers a Fair and Just Wage

We continue to urge CDSS, CDE, and the Governor to work in good faith with CCPU to create a robust alternative methodology that pays child care providers a fair and just wage based on their full cost of caring for children, and fully implement the alternative

⁸ "The mission of the Child Care and Development Division (CCDD) is to build, strengthen, and maintain an equitable, comprehensive, quality, and affordable child care and development system for the children and families in our state; to integrate child care with other CDSS programs and services that serve the whole child and whole family; to address social determinants of health and adverse childhood experiences which significantly impact long-term outcomes for children; and to provide vital supports to the child care and development workforce and programs for children to have access to equitable and stable child care and development opportunities." Cal. Dep't Soc. Servs., Child Care and Development Division, California Department of Social Services <https://www.cdss.ca.gov/inforesources/child-care-and-development> (last visited Feb. 23, 2024) (emphasis added).

⁹ Cal. Dep't Soc. Servs., DRAFT CCDF State Plan FFY 2025-27 (for public comment)(PDF).

methodology with a single-rate structure as soon as possible. We also encourage the Department to ensure that the public has an opportunity to provide comment via multiple methods on related substantive changes to the draft State Plan before submission and on any necessary State Plan amendments to implement the new single rate structure thereafter.

Successful implementation of the alternative methodology also requires the state adopting key policies to meet its CCDF equal access requirements. To maximize parental choice and build supply, the State Plan preprint highlights, “Lead Agencies are required to use CCDF payment practices that reflect generally accepted payment practices of child care providers who serve children who do not receive CCDF-funded assistance.”¹⁰ Accordingly, we urge the state to permanently pay child care providers based on enrollment for the maximum authorized hours of care rather than attendance; pay child care providers prospectively before services are rendered; and determine subsidy payment rates independently from what providers charge to families without subsidies.

Paying providers based on the full cost of care and implementing the corresponding policies are essential and long overdue. This creates stability for child care providers and an environment where children can thrive. By adopting these proposals California will be better positioned to meet its equal access requirements under section 98.45 of the CCDF regulations.

Section 4: Ensure Equal Access for Children in Families with Low Incomes

4.2 Assess Market Rates and Analyze the Cost of Child Care

While we recognize that certain details about the alternative methodology are reliant on bargaining between CCPU and CDSS which will not begin until after the state plan is submitted, we strongly urge CDSS to include much more detail in their July 1 submission than what is offered in this current draft.

Last year, CDSS was among the lead agencies who received a letter from the Administration for Children and Families (ACF) signed by Dr. Ruth Friedman, Director of the Office of Child Care outlining flexibilities and associated requirements for Lead Agencies interested in pursuing a cost-based alternative methodology for the FFY 2025-2027 CCDF Plan Cycle. In line with the latest CCDF state plan preprint published by ACF on January 22, 2024, this letter stipulates that CDSS is obligated to include details about the status of the alternative methodology within their July 1, 2024 submission including:

- Dates when the alternative methodology activities will be conducted,
- Any completed steps to date
- Anticipated date of completion
- Expected date new rates will be in effect using the alternative methodology

¹⁰ Cal. Dep’t Soc. Servs., DRAFT CCDF State Plan FFY 2025-27 (for public comment)(PDF).

The current state plan draft includes none of these. In order to enable robust public engagement and comply with the requirements of the ACF letter and the format of the latest CCDF state plan preprint, we believe CDSS must include as much detail as possible about each of these elements in their July 1 submission.

To this end, in response to section 4.2.2(d), CDSS should also include more information about the Rate & Quality Systems Joint Labor Management Committee and the tasks given to it under Section 7.3 of the MOU between CDSS and CCPU. Elsewhere we also urge CDSS to include some information about the agreement the JLMC will reach as to the definitions of elements of the base rate and any enhanced rates. Finally, in Section 4.2.6 we urge CDSS to include an estimated date for publication of the final report in accordance with the timeline specified in our contract and planned public engagement process on rate given our extended timeline.

4.3 Establish Adequate Payment Rates

We anticipate that by moving to an alternative methodology, child care providers will be paid significantly higher subsidy payment rates. With higher pay, parents with subsidies will have more child care choices and providers will be better able to support themselves and keep their doors open for families. We urge the state to come to a robust agreement with CCPU that implements the alternative methodology and pays child care providers, including family, friend, and neighbor providers exempt from licensing requirements, the full cost of care as soon as possible.

In addition, there should be mention in the State Plan of the intention to “ensure equal access to child care for eligible children and families and increase payment rates adjusted for inflation”¹¹

Finally, the plan should detail the current adjustment factors and include some information about the enhanced rates agreed to within the JLMC including for non-traditional hours, dual language learners, and child transportation.

4.4 Implement Generally Accepted Payment Practices and Ensure Timeliness of Payments

The Act requires that payment practices “reflect generally accepted payment practices of child care providers...who do not receive assistance.”¹² The CCDF regulations provide that, “[t]o the extent practicable, enrollment and eligibility policies support the fixed costs of providing child care services by delinking provider payment rates from an eligible child's occasional absence[s].”¹³

Fair, just payment rates must coincide with necessary policy changes such as permanently

¹¹ Per ACF letter “OCC Flexibilities on Alternative Methodology Timing”

¹² Child Care and Development Block Grant Act of 1990 (“CCDBG”), § 658A, 658E (c)(2)(S)(i), 42 U.S.C. § 9857, 9858c (c)(2)(S)(i) (2021).

¹³ 42 C.F.R. § 98.15 (a)(8).

paying child care providers based on enrollment for the maximum authorized hours of care rather than attendance; paying child care providers prospectively before services are rendered; and separating child care subsidy rates from what parents without subsidies pay.¹⁴ This last practice is critical to achieve the full promise of the transition to reimbursement based on the cost of care, without impacting families paying out of pocket, particularly the hundreds of thousands eligible for subsidized child care but currently unable to access.

California pays all child care providers after their services are rendered and currently pays providers based on enrollment regardless of attendance until June 30, 2025.¹⁵ Most, if not all, child care providers paid with private funds from families would not characterize a child care arrangement where the parent pays the child care provider 21 days after their attendance records are complete and only for care that matched the exact days and hours during which the child was with the child care provider as a “generally accepted payment practice.” Like providers who are paid with private funds, child care providers paid with subsidies have fixed costs such as rent, staff overhead, utilities, etc.

To strengthen stability for child care providers and equal access for families, we encourage the state to permanently adopt the above policies.

4.5 Establish Affordable Co-Payments

The significant reduction in family fees has taken a tremendous financial burden off of working families. CCPU was proud to partner closely with Parent Voices and others to advocate for this nation-leading, comprehensive policy which guarantees:

- No family earning below 75 percent of State Median Income (“SMI”) pays co-payments
- Co-payments do not exceed one percent of a family’s monthly income,

¹⁴ The policy of paying providers the maximum authorized hours of care is a permitted and encouraged practice. See 45 C.F.R. § 98.45 (l)(2) (states must demonstrate, to the extent practicable, how it supports the cost of providing services including the option to pay by children’s enrollment rather than attendance); Improving Child Care Access, Affordability, and Stability in the Child Care and Development Fund (CCDF), 88 Fed. Reg. 45052 § 98.45 (m)(2)(i)-(ii) (NPRM to make payment based children’s enrollment the default); see also Rate and Quality Workgroup. Additionally, the policy to pay providers before services are rendered is also supported. See 45 C.F.R. § 98.45 (l)(1)(i) (states must demonstrate, how it ensures payment timeliness to providers including the option to pay prospectively); 88 Fed. Reg. 45052 § 98.45 (m)(2)(i)-(ii) (NPRM to make states pay providers prospectively the default practice); see also Rate and Quality Workgroup. Paying providers who care for children with subsidies independently from providers who care do not is also permitted and encouraged practice. See 45 C.F.R. § 98.45 (l)(3) (states must demonstrate how their payment practices reflect generally-accepted practices for providers who do not care for children with subsidies); Improving Child Care Access, Affordability, and Stability in the Child Care and Development Fund (CCDF), 88 Fed. Reg. 45052 § 98.45 (g) (NPRM to permit states to pay providers who care for children with subsidies more than providers who do not); see also Rate and Quality Workgroup; Cal. Assemb. Blue Ribbon Comm’n on Early Childhood Education (“Establish reimbursement rates sufficient to ensure competitive salaries and benefit packages including health, paid time off, retirement, and other compensation”).

¹⁵ S. B. 140 §§ 3(d) & 18(a).

- Child care providers absorb no reduction in pay,
- The number of child care contracted spaces and vouchers are not reduced because of a reduction in the collection of co-payments, and
- Family fees accrued but uncollected prior to October 1, 2023 may be forgiven and not collected.¹⁶

We appreciate that the State Plan outlines the recent improvement in family fees and we encourage CDSS to include the full description of the policy above to inform ACF, other states, and the public of this progressive child care law.

Thank you again for the opportunity to provide input on behalf of CCPU-represented providers across all family child care settings in California.



Alexa Frankenberg
Executive Director, CCPU

¹⁶ 45 C.F.R 98.44 (b); Welf. & Inst. Code § 10290.



January 31, 2024

The Honorable Eloise Gómez Reyes
Assembly Majority Leader Emerita
1021 O Street, Room 4510
Sacramento, CA 95814

AB 1930 (Reyes)
Location: Introduced
Position: Support/Co-Sponsor

Dear Assemblymember Reyes:

On behalf of Head Start California, thank you for introducing AB 1930 which will direct the Commission on Teacher Credentialing to remove the restriction on renewal of the Child Development Associate Teacher Permit so that individuals who choose to do so, can renew the permit and remain in their Associate Teacher positions. This measure will improve access to early childhood programs and support individuals in their positions providing instructional support to our youngest learners. Head Start California is pleased to support and co-sponsor AB 1930.

Head Start California represents Head Start grantees in California, serving over 100,000 children annually and their families, employing over 25,000 teachers and staff statewide. Collectively, they operate over 1,700 sites across California and serve the most at-risk children and families with early learning and wrap around services.

High-quality Early Learning and Care (ECE) keeps children safe and healthy and sets the foundation upon which learning is built. These learning environments help children develop social and emotional skills they will need for success in school and their lives outside of school.

The Child Development Associate Teacher permit is issued for five years and is only renewable once by completing at least 15 semester units towards the Child Development Teacher Permit. Associate Teacher Permit holders must meet the requirements for the Child Development Teacher Permit during that time period. If these requirements are not met, the Associate Teacher permit expires, and therefore, qualified Associate Teacher permit holders in programs who could be providing instructional support at an Associate Teacher level, are not able to maintain their associate teacher permit positions.

Head Start California supports and is pleased to co-sponsor AB 1930 for several reasons:

- Access to ECE programs is critical to California families. And one of the most essential components for children in these programs is qualified, experienced caring adults.
- Associate Teachers provide important support in classrooms and wonderful care for children. Associate Teacher Permit Holders may supervise children alone and may contribute to the development of curriculum and instruction.
- This bill would, on or before April 30, 2025, require the commission to, by rule or regulation, authorize a holder of a Child Development Associate Teacher Permit to

renew their permit without a limitation on the number of renewals if the permit holder completes specified hours of professional growth activities, as provided.

- This bill would support providers ability to retain experienced and valuable staff to serve children.

For these reasons, we strongly support AB 1930 and are pleased to be a co-sponsor on this important measure.

Thank you for your leadership on this issue and for authoring AB1930. If we can be of further assistance, please contact me at melanee@headstartca.org or Khieem Jackson, Legislative Advocate for Head Start California at khieem@ballfrostgroup.com

Sincerely,



Melanee Cottrill
Executive Director
Head Start California



March 8, 2024

Commissioners The Honorable Al Muratsuchi **AB 1930 (Reyes)**
Chair, Assembly Education Committee **Location: Assembly Committee**
1021 O Street, Room 159 **Position: Support**
Sacramento, CA 95814

Elliot Weinstein,
M.D.
Chair

Dear Assemblymember Muratsuchi:

Diana Alexander
Vice-Chair

On behalf of the Children and Families Commission - First 5 San Bernardino, I write in support of AB1930 (Reyes) which will direct the Commission on Teacher Credentialing to remove the restriction on renewal of the Child Development Associate Teacher Permit so that individuals who choose to do so, can renew the permit and remain in their Associate Teacher positions. This measure will improve access to early childhood programs and support individuals in their positions providing instructional support to our youngest learners.

Ted Alejandro
Commissioner

Joe Baca, Jr.
Commissioner

First 5 San Bernardino is a leader in Quality Start San Bernardino (QSSB) which focuses on raising the quality of early learning programs in the county by setting standards for quality, rating programs using these standards, and providing training and support to early childhood educators, making quality a reality. We help early learning educators, parents and caregivers, and communities give children a quality start. Child Development Associate Teachers are an important part of this workforce and in the case of renewals, tend to be our most committed and experienced asset. Through QSSB and our childcare workforce, we can track and see improvements in quality early education through nearly 300 providers serving more than 20,000 children.

Dr. Gwen Dowdy-
Rodgers
Commissioner

Joshua Dugas
Commissioner

The Child Development Associate Teacher permit is issued for five years and is only renewable once by completing at least 15 semester units towards the Child Development Teacher Permit. Associate Teacher Permit holders must meet the requirements for the Child Development Teacher Permit during that time period. If these requirements are not met, the Associate Teacher permit expires, and therefore, qualified Associate Teacher permit holders in programs who could be providing instructional support at an Associate Teacher level, are not able to maintain their associate teacher permit positions.

Gary Ovitt
Commissioner

We support and are pleased to co-sponsor AB 1930 for several reasons:

- Access to ECE programs is critical to California families. And one of the most essential components for children in these programs is qualified, experienced caring adults.
- Associate Teachers provide important support in classrooms and wonderful care for children. Associate Teacher Permit Holders may supervise children alone and may contribute to the development of curriculum and instruction.
- This bill would, on or before April 30, 2025, require the commission to, by rule or regulation, authorize a holder of a Child Development Associate Teacher Permit to renew their permit without a limitation on the number of renewals if the permit holder completes specified hours of professional growth activities, as provided.
- This bill would support providers' ability to retain experienced and valuable staff to serve children.

For these reasons, I strongly support AB 1930. If I can be of further assistance, please contact me at kscott@cfc.sbcounty.gov or (909) 252-4252.

Sincerely,



Karen E. Scott
Executive Director
First 5 San Bernardino



February 29, 2024

The Honorable Al Muratsuchi
Chair, Assembly Education Committee
1021 O Street, Room 159
Sacramento, CA 95814

AB 1930 (Reyes)
Location: Assembly Education Committee
Position: Support

Dear Assemblymember Muratsuchi:

On behalf of EveryChild California and ECE Voices, I write in support of AB1930 (Reyes), which will direct the Commission on Teacher Credentialing to remove the restriction on the renewal of the Child Development Associate Teacher Permit so that individuals who choose to do so can renew the permit and remain in their Associate Teacher positions. This measure will improve access to early childhood programs and support individuals in their positions, providing instructional support to our youngest learners.

The Child Development Associate Teacher permit is issued for five years and is only renewable once by completing at least 15-semester units towards the Child Development Teacher Permit. Associate Teacher Permit holders must meet the requirements for the Child Development Teacher Permit during that time period. If these requirements are not met, the Associate Teacher permit expires, and therefore, qualified Associate Teacher permit holders in programs who could be providing instructional support at an Associate Teacher level are not able to maintain their Associate Teacher permit positions.

We support and are pleased to co-sponsor AB 1930 for several reasons:

Access to ECE programs is critical to California families. One of the most essential components for children in these programs is qualified, experienced, caring adults.

Associate Teachers provide essential support in classrooms and wonderful care for children. Associate Teacher Permit Holders may supervise children alone and contribute to curriculum and instruction development.

This bill would, on or before April 30, 2025, require the commission to, by rule or regulation, authorize a holder of a Child Development Associate Teacher Permit to renew their permit without a limitation on the number of renewals if the permit holder completes specified hours of professional growth activities, as provided.

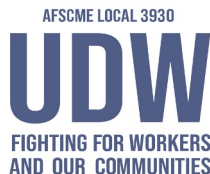
This bill would support providers' ability to retain experienced and valuable staff to serve children.

For these reasons, I strongly support AB 1930. If I can further assist, please contact me at nina@everychildca.org or 916-443-5919.

Sincerely,

A handwritten signature in blue ink that reads "Nina Buthee".

Nina Buthee
Executive Director
EveryChild California



March 20, 2024

Governor Newsom
State of California
State Capitol
Sacramento, CA 95814

Tony Thurmond
State Superintendent of Public Instruction
1430 N Street, Suite 5000
Sacramento, CA 95814

Pro Temp McGuire
California State Senate
State Capitol, Room 205
Sacramento, CA 95814

Speaker Rivas
California State Assembly
State Capitol, Room 219
Sacramento, CA 95814

The Early Care and Education (ECE) Coalition appreciates the Administration's and Legislature's long-term vision and continued support of ECE via the sustained commitment to provide an additional 200,000 ECE spaces and move to a single reimbursement rate structure. While we understand that the State is facing difficult decisions to address the budget deficit that will likely persist for the next few years, **we urge you to consider the [revenue options recommended by the California Budget and Policy Center](#) and prioritize California's youngest children and their families by maintaining your promise to:**

- **Award and distribute the ECE spaces appropriated in the 2023-24 budget by June 30, 2024.** Unfortunately, the Administration is proposing cuts to desperately needed spaces by not releasing the funds allocated in the budget for the current fiscal year. We request a sustainable and equitable plan to reach the 200,000 space commitment by 2026-27. Our families need affordable ECE programs today!
- **Develop and implement an alternative rate methodology in collaboration with providers, families, and advocates by June 30, 2024.** We request a transparent and collaborative process to ensure the methodology meets the needs of families and all providers.

It is critical to recognize that ECE programs support two generations - parents and children - while simultaneously spurring economic development and growth for our state. By continuing to offer families free and/or reduced-cost child care even during an economic downturn, we exemplify why California is so successful - because we support children and families. We cannot balance the state's budget on the backs of Black, Latinx, Asian Pacific Islander, Indigenous, and immigrant families who are already struggling to make ends meet.

ECE programs offer families safe, stable, and supportive environments where children achieve essential developmental milestones such as following one-step directions, drawing a circle, and counting to ten. Moreover, ECE programs allow guardians to participate in work, professional development, or educational programs, ultimately fostering family connectedness and security.

Unfortunately, California's ECE field continues to struggle to stay afloat. The increase in reimbursement rates in the 2023-24 budget and the promise of an alternative rate methodology have provided immediate relief to the ECE field and workforce; however, the reality of decades of under-investment has taken its toll on providers and families. Countless reports, including the [Master Plan for Early Care and Education](#) and the [Assembly's Blue Ribbon Commission on Early Care and Education](#), have highlighted policy recommendations to build a robust ECE system that meets the needs of children, families, and our workforce. A healthy ECE system should include long-term funding commitments for facility infrastructure, workforce development, rate increases, and ECE spaces.

Thousands of families are in desperate need of early care and education programs. Staying focused on the commitments to providing spaces, addressing ECE providers' rates, and committing to the system's long-term stability ensures California remains an international economic leader.

Sincerely,

Members of the ECE Coalition

Cc:

Joe Stephenshaw, Director, Department of Finance
Kim Johnson, Director, Department of Social Services
Senator Scott D. Wiener, Chair, Senate Budget Committee; Chair Legislative Women's Caucus
Senator Caroline Menjivar, Chair, Senate Budget Sub. 3 Committee on Health and Human Services
Assemblymember Jesse Gabriel, Chair, Assembly Budget Committee
Assemblymember Dr. Corey Jackson, Chair, Assembly Budget Sub. 2 Committee on Human Services

Alternative Rate Methodology Timeline

2023-24	The Department of Social Services (DSS) contracted with P-5 to help develop the alternative rate methodology based on the actual cost of providing care.
	DSS has re-engaged the Rate Reform and Quality Group to assist in developing the alternative rate methodology.
	February 15 th , DSS to release the data to be included in the alternative methodology formula.
2024-25	July 1 st , DSS must provide the Office of Child Care with an updated state plan that includes the alternative rate methodology
	October 1 st Child Care Provider Union (CCPU) can re-open negotiations with the administration to align with the approved alternative rate methodology.
	The new alternative rate methodology will need to be adopted in the 2025-26 budget.