

This is a message from the California Department of Education (CDE), Early Learning and Care Division (ELCD).

Interim Guidance on the Distribution of New Federal Funds to Support State-Subsidized Childcare and Updates on Pending Allocations

This email serves to provide information to CDE contractors about additional federal funds for state-subsidized early learning and care programs, interim guidance, the CDE implementation plan for these funds, and a detailed timeframe for all pending allocations.

Summary of Additional Federal Funding

On October 21, 2020, the Joint Legislative Budget Committee (JLBC) released a letter directing \$110 million from the Coronavirus Aid, Relief, and Economic Security (CARES) Act to address some of the additional costs incurred by Early Learning and Care programs. On October 28, 2020, Governor Newsom signed Executive Order (EO) N-129-20 to allocate these funds.

These funds are intended to augment state-subsidized childcare contracts. While the CDE recognizes this allocation of additional funds may not cover the full annual cost, these funds will be divided to mitigate, in part, the issues described below as follows:

- \$30 million for the cost of waived family fees for families not receiving in-person care so that contractors and providers do not have to absorb those waived fees, as prescribed in SB 820.
- \$80 million for:
 - Augmenting California Alternative Payment Program (CAPP), Migrant Alternative Payment Program (CMAP), and General Child Care (CCTR) contracts to support over-earnings due to school-age children requiring full-time care.
 - Providing additional resources to extend the timeline of temporary Emergency Childcare services beyond what is supported in Senate Bill 820.

Interim Guidance

The CDE will be issuing additional guidance and information on how these funds will be allocated.

In the meantime, **DO NOT disenroll children and families receiving early learning and care services due to over-earning your contract.**

CDE Implementation Plan for Additional Federal Funds

Family Fee Implementation. For family fees, the CDE will be issuing a revised version of Management Bulletin (MB) 20-19. Information on augmentations can be found below.

Emergency Childcare Extension Implementation. The CDE will distribute funding to support temporary Emergency Childcare enrollment based on information reported to the Child Development Nutrition and Fiscal Services (CDNFS) office through the Alternative Payment/CalWORKs Online Reporting System. To ensure contractors receive a distribution of funds, it is imperative that contractors submit timely reports to CDNFS. Children enrolled in temporary emergency childcare can remain in care for as long as the contractor can fiscally support those children. Shortly after allocations are completed as detailed below, CDNFS will provide further guidance to contractors to assist them in determining how long to extend them in emergency childcare.

Implementation of Additional Funds to Address Overearning. CDNFS will also be collecting additional information to distribute additional funds to support contractors over-earning for CAPP, CMAP, and CCTR programs due to costs for school-age children requiring full-time care. To ensure that contractors receive an accurate distribution of funds, it is imperative that contractors respond timely to a forthcoming survey to collect data on increased costs for school age children receiving full-time care. Shortly after allocations are completed as detailed below, CDNFS will provide further guidance to contractors to help ensure that contracts are not over-expended.

Note on Enrolling Emergency Childcare Families in Ongoing Care. The Budget Act of 2020 provided \$47 million to enroll Emergency Child care families into ongoing care. However, we know that some of our contractors were not able to fully utilize their \$47 million allocation to move children from Emergency Childcare to ongoing care due to increased cost pressures related to providing care to school age children full-time. The \$80 million identified above is to address this funding gap, which in turn will allow contractors to utilize their \$47 million augmentation as intended: to enroll children into ongoing care. Shortly after allocations are completed as detailed below, CDNFS will provide further guidance to contractors on managing their augmentation from the \$47 million allocation.

Timeframes for All Pending Allocations

Expected timeframes for pending allocations, including the additional \$110 million in CARES funding, is provided below.

In all instances where a contract amendment is necessary to allocate funds, contractors can expect to receive an apportionment payment that incorporates the increased contract amount six weeks after the contract amendment is signed and returned by the contactor.

In all cases where allocations are based on data provided by contractors, it is imperative that contractors submit reports to CDNFS timely and accurately. Contractors with delinquent reports will not receive any applicable allocations as described below.

Pending Funding	Contract Type(s)	Expected Timeframe
CDE Stipends for CDE programs	C2AP, C3AP, CAPP and CMAP	Contractors will receive checks the week of November 23rd. Contractors should make every effort to issue stipends to providers in early December. If stipends cannot be issued to all providers in the month of December for any reason, contractors must notify their ELCD Regional Consultant.
CCTR Expansion	CCTR	Contract Amendments will be processed beginning the week of November 23rd for programs that require start-up funding and/or have a site license and are prepared to provide early learning and care services. Amendments for expansion will be processed throughout the year as necessary.
CDE Stipends for Stage One programs administered by CDE Alternative Payment Programs	CalWORKs Stage 1	Contractors will receive checks the week of December 7th. Contractors should make every effort to issue stipends to providers in early December. If stipends cannot be issued to all providers in the month of December for any reason, contractors must notify their ELCD Regional Consultant.
Family Fees Waived for July and August 2020: Alternative Payment contracts	C2AP, C3AP, CAPP, CMAP	Contract Amendments to CAPP and CMAP contracts will be processed on/about December 18th. Allocations were based on prior year data and shared with contractors the week of September 14th. C2AP and C3AP contractors will not receive a contract amendment for this purpose, but will be augmented as necessary.
Family Fees Waived for July and August 2020: Direct Service	CCTR, CFCC, CMIG, CFCC	Contract Amendments will be processed on/about December 18th. Allocations will be based on reported July and August 2020 family fees waived. The CDE is providing a second extension to allow contractors to submit data for this allocation; the extended deadline is November 25, 2020.

<p>Reimbursement for Provider Payments during a COVID-related closure for up to 14 days</p>	<p>C2AP, C3AP, CAPP, CMAP</p>	<p>Expenditures will be processed as a reimbursement. First contract amendments will be processed on/about December 18th. Allocations will be based on September and October expenditures reported. Contractors may revise September reports for this purpose if necessary through November 25, 2020. Subsequent revisions to September or October reports that result in an additional allocation will be processed in a subsequent amendment.</p>
<p>Additional \$30 million for Family Fees Waived</p>	<p>CSPP, CCTR, CMIG, CFCC, C2AP, C3AP, CAPP, CMAP</p>	<p>Contract Amendments for CSPP, CCTR, CMIG, CFCC, CAPP and CMAP contracts will be emailed to contractors on/about February 22nd. Amendments will be based on September through December 2020 waived family fees reported. Contractors that do not submit a timely December 2020 report to the CDNFS will not receive an allocation.</p> <p>C2AP and C3AP contractors will not receive a contract amendment for this purpose, but will be augmented as necessary.</p>
<p>School Age Children Requiring Full-time Care and Emergency Child Care Enrollments</p>	<p>CCTR, CAPP, CMAP</p>	<p>To support all current enrollments, CDE will distribute a portion of these funds via an initial augmentation to Alternative Payment contractors on/about December 18th. The first allocation will take emergency childcare enrollments and contract earnings into account. This first allocation may be used to support costs associated with emergency child care and/or school age children requiring full-time care.</p> <p>A second contract amendment will be processed on/about February 22nd. The second allocation will be based on (1) December emergency childcare data submitted and (2) a survey that CDE will issue mid-December to collect data related to school age children requiring full-time care. Contractors that do not submit the required data needed for this allocation timely will not receive an allocation.</p>

If you have any questions regarding the information in this email, please contact your assigned ELCD, Program Quality Implementation Office Regional Consultant via the ELCD Consultant Regional Assignments web page at <https://www.cde.ca.gov/sp/cd/ci/assignments.asp> or by phone at 916-322-6233.

If you have any fiscal questions about the information in this email, please contact your assigned Child Development Nutrition and Fiscal Services analyst at <https://www.cde.ca.gov/fg/aa/cd/faad.asp> or by phone at 916-323-6196.

The CDE reserves the right to issue additional guidance as necessary to ensure compliance with *EC 8430 et seq.*

We appreciate your partnership as we continue to put children first.