

## Denyne Micheletti Colburn

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**Sent:** Tuesday, March 2, 2021 5:32 PM  
**To:** Denyne Kowalewski  
**Subject:** Assembly Bill 82 Implementation and Paying Providers with Variable Schedule Enrollments Based on Certified Need

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

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### **Subject: Assembly Bill 82 Implementation and Paying Providers with Variable Schedule Enrollments Based on Certified Need**

This email serves to provide information to contractors on (1) the recently passed Assembly Bill (AB) 82 (Chapter 6, Statutes of 2021), which appropriates \$402 million for COVID-19 response, and (2) interim guidance on continuing to pay voucher-based providers with variable schedule enrollments based on the family's certified need for services.

#### **Background**

The federal government has awarded California \$964,324,483 in additional Child Care and Development Block Grant (CCDBG) funds, which were appropriated through the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA). The purpose of this funding is to address the needs of families and childcare providers within the early learning and care system, including State Preschool programs, resulting from the COVID-19 pandemic.

On February 23, 2021, the Governor signed AB 82, which authorized \$402 million of CRRSA funds to support subsidized childcare and State Preschool providers. These funds are specifically allocated for the following purposes:

- \$244 million for one-time flat-rate stipends
- Reimbursement to providers for additional non-operational days for closures related to COVID-19, for certain contracts (as specified below)
- \$76 million to extend Emergency Childcare through June 30, 2022.
- \$80 million to enroll additional children in Emergency Childcare through June 30, 2022

Additionally, the California Department of Education (CDE) has worked with the Administration and the State Legislature on the issue of continuing reimbursements to providers at the maximum certified hours of care, regardless of a child's attendance, for all children enrolled, including those that are certified with a variable schedule. **An agreement was made by these parties to continue paying providers at the maximum certified hours of care, regardless of attendance, and interim guidance is below.**

Additional details on these items can be found below.

## Flat-Rate One-Time Stipend Allocation

Of the \$402 million allocation, \$244 million is allocated to provide a flat-rate stipend amount of \$525 per child enrolled in a state-subsidized childcare or a State Preschool program. The CDE will provide an allocation to all contractors that hold early learning and care contracts with the CDE based on the number of subsidized children enrolled in **November 2020**, and as specified in the chart below. The California Department of Social Services (CDSS) is responsible for allocating \$16 million of these funds for CalWORKs Stage One programs.

| Contract Type Receiving Stipend                          | Stipend Allocations Based On:  |
|--|--|
| CalWORKs Stage 2 (C2AP)                                  | Caseload data submitted in the online CalWORKs/Alternative Payment reporting system for the month of November 2020   |
| CalWORKs Stage 3 (C3AP)                                  | Caseload data submitted in the online CalWORKs/Alternative Payment reporting system for the month of November 2020   |
| Alternative Payment Program (CAPP)                       | Caseload data submitted in the online CalWORKs/Alternative Payment reporting system for the month of November 2020   |
| General Child Care and Development (CCTR)                | Number of subsidized children enrolled in the program and reported in the Child Development Management Information System (CDMIS) CDD-801A report for the month of November 2020 |
| Family Child Care Home Education Network Contract (CCFC) | Number of subsidized children enrolled in the program and reported in the Child Development Management Information System (CDMIS) CDD-801A report for the month of November 2020 |
| Severely Disabled Program (CHAN)                         | Number of subsidized children enrolled in the program and reported in the Child Development Management Information System (CDMIS) CDD-801A report for the month of November 2020 |
| Migrant Alternative Payment Program (CMAP)               | Caseload data submitted in the online CalWORKs/Alternative Payment reporting system for the month of November 2020   |
| Migrant Child Care and Development Program (CMIG)        | Number of subsidized children enrolled in the program and reported in the Child Development Management Information System  |

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|---|--|
|   | (CDMIS) CDD-801A report for the month of November 2020   |
| California State Preschool Program (CSPP) | Number of subsidized children enrolled in the program and reported in the Child Development Management Information System (CDMIS) CDD-801A report for the month of November 2020 |

The CDE directs questions about stipend allocation methodology for CalWORKs Stage One providers to the CDSS.

To support administration of these stipends, CDE contractors are allowed a five (5) percent administrative fee to address costs associated with distributing stipends to these providers. The five (5) percent administrative fee will be allocated to contractors in addition to the allocation for provider stipends.

Information to contractors regarding the implementation and next steps for issuing provider stipends, including the expected timeframe for the receipt funds, will be provided by Child Development Nutrition and Fiscal Services (CDNFS) in the near future.

### **Non-Operational Days for Voucher-Based and Family Child Care Home Education Network (FCCHEN) Providers**

As part of AB 82 and the agreement between the State and the Child Care Providers United union, voucher-based (C2AP, C3AP, CAPP, CMAP) providers will be reimbursed for up to sixteen (16) non-operational days for closures related to COVID-19, in addition to the 14 days authorized by Senate Bill (SB) 820 (Chapter 110, Statutes of 2020), for a total of thirty (30) non-operational days of closure related to COVID-19 between September 1, 2020 and June 30, 2021. Voucher providers are still eligible to be reimbursed for the ten (10) non-operational days authorized by the *California Code of Regulations*, Title 5 (5 CCR), Section 18076.2 (b)(2).

The AB 82 and the union agreement also retroactively allow providers serving children through a FCCHEN contractor to be reimbursed for up thirty (30) non-operational days for closures related to COVID-19 between September 1, 2020 and June 30, 2021 when the closures are not due to a public health order or guidance related to COVID-19 and specific to early learning and care, as covered in MB 20-18. This includes FCCHENs operating through the CFCC, CCTR, CMIG, and CSPP contract types. Providers serving children through a FCCHEN contractor are still eligible to be reimbursed for the ten (10) paid non-operational days authorized by 5 CCR, Section 18076.2(b).

The CDE will be issuing updated guidance on these additional non-operational days of closure related to COVID-19 through updates to Management Bulletin (MB) 20-15a for reimbursements to voucher-based providers, and MB 20-18 for reimbursements to providers serving children through a FCCHEN contractor.

## Emergency Childcare Vouchers

The AB 82 provides \$76 million to extend Emergency Childcare services through June 30, 2022 for families currently enrolled in Emergency Childcare who have been unable to transition into ongoing subsidized childcare.

The AB 82 also provides \$80 million for CAPP and CMAP contractors to enroll additional children of essential workers, at-risk children, and children with disabilities or special health care needs whose Individualized Education Plans (IEPs) or Individualized Family Service Plans (IFSPs) include early learning and care into Emergency Childcare services. In order to be served, families also need to meet eligibility requirements as specified in *Education Code* Section 8263. Newly enrolled families in Emergency Childcare can be served through June 30, 2022.

The CDE expects to issue contract amendments to augment CAPP and CMAP contracts in March 2021.

The CDE will be rescinding and replacing MB 20-14 with updated guidance on how contractors should be extending services for families currently enrolled in Emergency Childcare, and enrolling additional families. In the meantime, contractors are reminded that families enrolled in emergency childcare may continue to receive care through June 30, 2022 and contractors who are not sufficiently funded for these families will receive an additional allocation to allow them care to be extended to through June 30, 2022. The AB 82 directs the CDE to issue guidance that is as similar as possible to guidance previously issued regarding enrollment in Emergency Childcare services.

## Continuing to Pay Providers Based on Certified Need

The 2020 Budget Act and amendments provided in SB 820 provided an allocation of \$62.5 million to reimburse alternative payment program providers based on a child's maximum certified hours of care for families (a) certified with a variable schedule and (b) license-exempt part-time care, until funds are exhausted. The CDE allocated these funds utilizing contractor responses received from the "Survey to Assess Impacts of Coronavirus (COVID-19) on California Work Opportunity and Responsibility to Kids (CalWORKs) Stage 1, 2, 3, the California Alternative Payment (AP) Program, and the California Migrant Alternative Payment Program". Contractors received a proportionate share of the total cost to pay providers at the maximum authorized hours of care, based on July 2020 caseload, each contractor's percentage of variable schedule children, and the average cost of care. Allocations were provided to contractors in September 2020.

It has been brought to CDE's attention that some contractors have exhausted their allocation for this purpose.

### Interim Guidance:

The CDE has worked with the Administration and the State Legislature on the issue of continuing reimbursements to providers at the maximum certified hours of care, given that some contractors have exhausted their funding allocation. An agreement was made by these parties to continue the SB 820 policy described above. **While the CDE works with the Department of Finance (DOF) to obtain additional funds for this purpose, contractors should continue to pay providers at the maximum certified hours of care by utilizing current contract funds.**

All contractors that have exhausted funds appropriated pursuant to SB 820 for this purpose, or those that project to exhaust their allocation, **must** contact the Child Development and Nutrition

Fiscal Services (CDNFS) office to inform their Fiscal Analyst of the projected shortfall. The CDNFS Analyst Directory can be found at: <https://www.cde.ca.gov/fg/aa/cd/faad.asp>

**Allocations will not be provided to any contractor that does not contact the CDNFS to provide the necessary data in order to process a contract augmentation.**

The CDE, DOF, and Legislature are working as quickly as possible to resolve this issue. The CDE will provide additional information as soon as possible regarding the timing for when contract amendments can be expected.

## **Resources**

Additional guidance will be announced to subscribers of the ELCD distribution list. To subscribe, visit: <https://www.cde.ca.gov/sp/cd/ci/emailindex.asp>.

The ELCD has also developed a COVID-19 guidance and resource page that includes answers to frequently asked questions, all management bulletins issued to implement pertinent legislation, and other relevant resources at <https://www.cde.ca.gov/sp/cd/re/elcdcovid19.asp>.

If you have any questions regarding this correspondence, please contact your assigned CDNFS fiscal analyst or your assigned Program Quality Implementation Office Regional Consultant. The Fiscal Analyst Directory can be found at: <https://www.cde.ca.gov/fg/aa/cd/faad.asp>, and the directory of ELCD Regional Consultant Assignments can be found at: <https://www.cde.ca.gov/sp/cd/ci/assignments.asp>.

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