

Analysis of Child Care Provisions in the California State Budget for Fiscal Year 2021-2022

I. Introduction – Child care, the pandemic, and federal and state response

The pandemic hit communities of color, especially women of color, the hardest. “[D]uring the first three months of the downturn, employment for Black and Latinx women fell by over 20% – more than three times the decline in employment for white men.”¹ Over 3 million women left the labor force; in December of 2020, all 140,000 lost were jobs held by women.² Lack of child care remains one of the leading reasons why mothers cannot work. One out of four women became unemployed due to the unavailability of child care, twice the rate of men.³ Affordable child care is key to women working, families building wealth, and children thriving.

The coronavirus pandemic pushed our fragile child care system into an even more perilous state. In 2019, licensed child care was available for only 24.5% of children in California.⁴ The pandemic forced thousands of child care providers, most of whom are women of color and immigrants in California, to close their doors. Many still cannot reopen because of increased operating costs, lost income and limited capacity.

Child care providers risked their own lives and the lives of their families to ensure children were cared for in a healthy, happy, and safe environment while their parents worked. Meanwhile, child care providers are still not paid a living wage and do not have guaranteed paid sick leave and other health, leave and retirement benefits. Despite child care providers’ increased costs of ensuring their homes and centers met COVID-19-related safety measures and losing income due to decreased enrollment, less than 7 percent of child care providers nationwide received PPP loans and the amounts they received represent less than 1 percent (.44%) of all the lending through the program. Providers reported that these applications were difficult to find and apply for, did not meet their business needs, and there were many barriers specifically faced by business owners of color.⁵

The federal government responded by providing swift economic relief dedicated to child care, and California provided temporary assistance to parents and child care providers. For example, essential workers received publicly-funded child care without meeting income eligibility requirements, family fees were temporarily suspended, and “hold harmless” provisions allowed providers to be paid based on enrollment, rather than attendance and during school hours.

California used federal money to continue these measures into the current fiscal year and add additional supports for parents and child care providers.

California received over \$5 billion in federal COVID-19 relief and regular funding for child care, more than the state has ever received for child care:

- The American Rescue Plan (ARPA) was passed in March 2021. It allocated \$1,443,355,294 in Supplemental Child Care and Development Fund (CCDF) Discretionary Funds, \$2,313,166,480 for Child Care Stabilization Grants⁶, and \$3,550,000 per fiscal year (FY) in Mandatory Child Care Funding for State (about a 63,000,000 increase for California).⁷
- The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) was passed in December 2020 and provided \$964,324,483 in federal funding to California.⁸
- The Coronavirus Aid, Relief, and Economic Security Act (CARES) was passed in March 2020 and provided \$350,314,000 in federal funding to California.⁹

II. Overview of Child Care Funding in California State Budget

On June 28, 2021, Governor Newsom signed the Budget Act of 2021, Assembly Bill 128 (AB 128). On July 12, 2021 the Governor signed the Budget Act of 2021, Senate Bill 129 (SB 129) (the Budget), which amends AB 128. On July 23, 2021, the Governor also signed the Assembly Bill 131 (AB 131), which provides for statutory changes necessary to enact the Child Care and Development statutory provisions of the Budget Act of 2021.

- New Child Care Spaces
 - Federal funding for approximately 110,500 new child care spaces¹⁰
 - 46,080 new General Child Care spaces (\$207.9 million)¹¹
 - 62,620 new Alternative Payment Program spaces (\$505.7 million)¹²
 - 1,300 new Migrant Child Care spaces (\$17.4 million)¹³
 - 500 new Emergency Child Care Bridge Program spaces (\$3.75 million)¹⁴
- CalWORKs Stage 1, Stage 2 and Stage 3
 - CalWORKs Stage 1: 36,549 child care spaces (\$392.5 million)¹⁵
 - CalWORKs Stage 2: 34,287 child care spaces (\$401.6 million)¹⁶
 - CalWORKs Stage 3: 68,109 child care spaces (\$705.3 million)¹⁷
 - CalWORKs at California Community Colleges: 983 child care spaces (\$9.6 million)¹⁸
- Provider Stipends*
 - \$525 per child enrolled in publicly-funded child care (\$200 million)¹⁹

- \$600 per child enrolled in publicly-funded child care (\$205.5 million)²⁰
- Grant to each licensed child care facility (\$176.8 million)
 - \$3,500 per family child care home
 - \$3,500-\$6,500 per child care center depending on licensed capacity²¹
- Subsidized Child Care Reimbursement Rates* (Beginning January 1, 2022)
 - Increase to the 75th percentile of the 2018 regional market rate (“RMR”) survey or standard reimbursement rate (“SRR”) for all licensed child care providers (\$517.8 million):²²
 - \$166.2 million to increase the SRR for LEA State Preschool;
 - \$210.5 to increase the RMR for APPs, Stage 2 CalWORKs and Stage 3 CalWORKs;
 - \$141 million to increase the SRR for Non-LEA State Preschool, General Child Care, and Migrant Centers;²³
 - Increase all Family, friend, and neighbor (“FFN”) providers to the 70th percentile of the 2018 RMR survey; the part-time rate for FFN care is eliminated.²⁴
 - Two-year reimbursement rate supplements for FY21-22 and 22-23 (goal to bring reimbursement to 85th percentile of the 2018 RMR).
 - \$289 million for family child care providers and family, friend, and neighbor providers²⁵
 - \$188.7 million for center-based child care programs²⁶
- Hold Harmless*
 - \$70 million for child care providers to continue to be paid based on total certified need, rather than attendance, until June 30, 2022²⁷
- Paid Non-Operation Days
 - \$31 million for an additional 16 paid nonoperational days to child care providers paid with child care subsidies when the provider is closed for COVID-19 reasons²⁸
 - Additional 14 paid nonoperational days COVID-19-related provided by SB 820
 - 10 regular nonoperational days that need not be related to COVID-19
- Family Fee Waivers
 - \$60 million in one-time funding to waive family fees for all families from July 1, 2021 to June 30, 2022²⁹
- Rate Reform*
 - Stakeholder workgroup to draft recommendations on single reimbursement rate system by August 15, 2022³⁰

- Cost of Living Adjustment (COLA)*
 - \$29.1 million FY21-22 to increase the COLA for child care providers.³¹
 - 4.05% COLA adjustment for General Child Care, Migrant Child Care, Child and Development Services for Children with Special Needs³² (\$13 million),³³
 - 4.05% COLA adjustment for Alternative Payment Programs and other support organizations³⁴ (\$16.1 million).³⁵
- Infrastructure Grants
 - \$250 million to build new facilities or retrofit, renovate, repair, or expand existing facilities³⁶
- Emergency Child Care Bridge Program
 - 5,195 total Emergency Child Care Bridge Program spaces, with \$47.6 million. This includes 500 new spaces created with \$3.75 million in federal funds.³⁷
- General Child Care in center-based facilities and Family Child Care Home Networks (FCCHEN)
 - 78,271 total child care spaces for families participating in General Child Care (\$785.1 million). This includes 46,080 new spaces with \$207.9 million in federal funds³⁸
- Alternative Payment Program (APPs) Vouchers
 - 129,332 Alternative Payment Program vouchers (\$1.3 billion). This includes 62,620 new spaces with \$505.7 million in federal funds³⁹
- Migrant Child Care and Development and Child and Development Services for Children with Special Needs
 - 34,287 child care spaces for families participating in these programs, including 1,300 new Migrant Child Care Spaces (\$401.8 million)⁴⁰
- Transition from California Department of Education (CDE) to California Department of Social Services (CDSS)
 - The Budget shifts \$31.7 million and 185.7 child care and nutrition program positions from CDE to CDSS⁴¹
- Training and Family Child Care Incentives*
 - \$500 incentive payments to unlicensed individuals who obtain a family child care home license on or after June 28, 2021, and maintain an active license for 12 months (\$3.16 million in previously appropriated federal funds)⁴²
 - Establishment of the Joint Child Care Providers United-State of California Training Partnership Fund (\$40 million in previously appropriated federal funds)⁴³

III. Analysis of Child Care Expenditures

New Child Care Spaces

Approximately 110,500 new child care spaces will be created using \$734.8 million in federal funds.⁴⁴ The Department of Finance estimates that 110,500 new spaces will be created as follows:⁴⁵

- 500 new spaces in the Emergency Child Care Bridge for Foster Youth program (\$3.75 million federal funds), bringing the total spaces in that program to 5,195⁴⁶
- 46,080 new General Child Care spaces (\$207.9 million in federal funds) bringing the total to 78,271 General Child Care spaces⁴⁷
- 62,620 new Alternative Payment Program spaces (\$505.7 million in federal funds), bringing the total to 129,332 Alternative Payment Program spaces⁴⁸
- 1,300 new Migrant Child Care spaces (\$17.4 in federal funds), bringing the total in the category of “Other Child Care Services: Migrant and Severely Disabled” to 4,420 spaces⁴⁹

The Governor’s office has stated their hope that the number of spaces will expand to 200,000 by 2025-2026.⁵⁰ However, there is no budgetary promise to fund this number of additional spaces.

Voucher-based child care helps ensure parents have flexible, dependable child care with maximum choice. This type of care has always been critical, especially during the pandemic. The increase in child care vouchers this year and next year will allow more people to work and return to work, and significantly positively impact women and families of color.

Family Fee Waivers

The Budget provides \$60 million in one-time funding to waive family fees for all families from July 1, 2021 to June 30, 2022.⁵¹ This waiver is funded by federal funds for COVID-19 child care assistance.⁵² AB 131 clarifies that contractors shall reimburse the subsidized child care providers for the full amount of the certificate or voucher without deducting family fees.⁵³

The family fee waiver is a pandemic relief measure that gives immediate relief to families and child care providers. It immediately puts money back into the pockets of families and child care providers, especially from communities of color, hit hardest by the pandemic. Waiving family fees helps parents avoid impossible choices each month about whether to pay for food, rent, utilities, or their child care family fee. California should also seize the opportunity to extend the suspension of family fees until October 2023 as the federal law currently allows and implement

an equitable family fees schedule as proposed under Assembly Bill 92 (Gómez Reyes). Should the federal Child Care for Working Families Act pass, then California will have to conform to the new law and ensure no family with a low to moderate income pay more than 7% of their income for child care.

Stipends for Child Care Providers

The Budget provides three child care stipends to help child care providers to stay open or reopen, and to meet COVID-19 related costs.⁵⁴ These stipends are funded with \$582.4 million in federal money.⁵⁵ The stipends will be distributed to all child care providers as follows:

- \$525 for each child who is enrolled in publicly-funded child care (\$200 million)⁵⁶
- \$600 for each child enrolled in publicly-funded child care (\$205.5 million)⁵⁷
- One-time, flat rate payment to every licensed child care in the state, including the temporarily closed facilities named on the “CCP COVID-19 Facility Closures” report, who have a child day care facility license on June 25, 2021 (\$127.8 million). Payments will be made according to the size of the child care facility and range from \$3,500 to \$6,500, as follows:
 - \$3,500 per family child care home.
 - \$3,500 per daycare center with a maximum licensed capacity of 14 children or fewer.
 - \$4,000 per daycare center with a maximum licensed capacity of 15 to 24, inclusive, children.
 - \$5,000 per daycare center with a maximum licensed capacity of 25 and 60, inclusive, children.
 - \$6,500 per day care center with a licensed capacity of more than 60 children.⁵⁸

Child care providers have shared that stipends will help pay for their COVID-19-related expenses such as technological supports, more staff, increased utility bills, cleaning supplies, and changing physical spaces to make them COVID-19-safe. They have also shared that they need substantially more cash assistance and ongoing funds to continue operating with these increased expenses. Unfortunately this allocation is not sufficient to help many providers reopen or to keep them operating should another major shutdown take place.

Reimbursement Rates for Subsidized Child Care

Effective January 1, 2022, AB 131 raises the RMR from the 75th percentile of the 2016 RMR survey to the 75th percentile of the 2018 RMR survey.⁵⁹ Reimbursement rates for family, friend, and neighbor (FFN) providers will increase to 70% of the RMR Survey.

AB 131 also provides \$289 million for temporary supplemental payments to all family child care home providers and family, friend and neighbor providers who are not licensed⁶⁰ and \$188.7 million for center-based child care programs for FY21-22 and FY22-23,⁶¹ with the goal of bringing reimbursement to the 85th percentile of the 2018 RMR. This two-year increase is one-time funding that is provided from January 1, 2022 until January 1, 2024.⁶² The increase in FFN rates is particularly noteworthy as FFN provider rates were only 60% of the family child care provider rates before 2017.⁶³ Families who need affordable, flexible child care most, especially for their babies and youngest children, often prefer FFN providers who are usually a relative or friend. Now, FFN provider will be more justly compensated for the critical support to families.

Child care providers have always been underpaid due our legacy of racist child care policies that devalue their work. The increase in provider reimbursement rates is a significant step in the right direction that shows a true appreciation for them keeping our children healthy, happy, and safe and allowing parents to work. Children thrive when their parents are better able to afford child care and their child care providers are better paid and supported. This increase in rates gives parents broader access to the child care market and makes parent copayments lower so child care is more affordable. We encourage the state to continue to increase child care provider subsidy rates to reflect the true cost of care so providers can provide and build wealth for their own families.

Hold Harmless

The Budget uses federal funds⁶⁴ to reimburse child care providers based on total certified need, rather than attendance, through June 30, 2022.⁶⁵ This hold harmless provision applies to both licensed and licensed-exempt child care providers as follows:

- (i) Providers shall be reimbursed based on the maximum authorized hours of care, regardless of attendance.
- (ii) For families certified for a variable schedule, providers shall be reimbursed based on the maximum authorized hours of care.
- (iii) For license-exempt providers that provide part-time services, providers shall be reimbursed based on the maximum authorized hours of care.⁶⁶

The hold harmless provision helps child care providers care for children with child care subsidies during the COVID-19 pandemic. The pandemic has resulted in reduced enrollment and in parents keeping their children home more frequently, particularly when there has been possible exposure to COVID-19.

Paying providers based on enrollment, not attendance, is an equitable measure that reflects how parents without subsidies pay for child care. The federal Child Care Development Block Grant 2014 reauthorization encourages states to delink enrollment from attendance.⁶⁷ Our state should shift to permanently paying providers based on enrollment rather than attendance. This is another instance where California has the opportunity to make long lasting changes to the publicly-funded child care system and to align it with the needs of child care providers. In the meantime, this temporary hold harmless measure will help child care providers, mainly women of color, continue to operate and keep their doors open.

Transition from CDE to CDSS

The Budget shifts \$31.7 million (\$0.9 million General Fund) and 185.7 positions from the California Department of Education (CDE) to the California Department of Social Services (CDSS) to administer child care and nutrition programs.⁶⁸

This transition was authorized in the Budget Act of 2020. All of the child care programs except for the California State Preschool Program are now housed at CDSS. Since CDSS also administers CalWORKs and other programs for children and families, families will have more inclusive, equitable and efficient services.

Transitional Kindergarten

On July 9, 2021, the Governor signed Assembly Bill 130 (AB 130) which provided statutory authority to expand the Transitional Kindergarten (TK) program to all four-year-olds, regardless of income eligibility. The program expands TK for Local Education Agency (LEA) based programs only.⁶⁹ The TK expansion was originally proposed in Assembly Bill 22 (AB 22). Cost estimates for AB 22 are in the millions of dollars annually⁷⁰ and at full implementation, the measure could cost as much as one billion dollars each year.⁷¹ Because the funding for TK expansion comes from the General Fund, the program will cause additional cost pressures and potential diversion of funding from other essential programs such as child care.⁷²

In AB 130, TK will expand with the 2022-2023 school year.⁷³ In the 2022-2023 school year, children who turn four between September 2 and February 2 must be admitted to TK if the parent wishes. In the 2023-24 school year, children who turn four before April 2 must be admitted; During school year 2024-25, children who turn four before June 2. Full expansion for all four-year-olds will be achieved by school year 2025-26, when any child who will have their fourth birthday by September 1 may attend.⁷⁴

While children who turn four are eligible to enter a LEA-based TK program, they are not mandated to enter TK. Additionally, all families who have federal- or state-funded child care subsidies are not required to move or enroll their child into a TK program to retain their publicly-funded child care.⁷⁵

While expanding no-cost child care is desirable, successful expansion of universal TK requires a true, “mixed-delivery,” community-based model. This is necessary to assure that all parents, irrespective of whether they receive a child care subsidy, can choose the no-cost child care setting for their four-year-old, including a family child care home, child care center, family, friend, and neighbor care, community-based child care, or school-based setting.

Every child is unique, and every family should have the right to choose the care that best fits their needs. TK is a one-size-fits-all program. Many parents have nontraditional schedules or work nontraditional hours. The majority of these workers are Latinx, Black, Asian and other non-White race/ethnic groups.⁷⁶ With a free TK option, many must make the hard decision about whether to keep their child in a setting from where they are thriving or uproot their child to a school setting they may not be ready for. The typical 4-hour per day TK program, Monday through Friday, forces parents to figure out how they can cobble together various forms of child care to make this free option work for them. Parents should be able to select the ideal no-cost setting that best meets their child’s social-emotional, developmental, and academic needs and the needs of their family.

IV. Conclusion

Good, affordable child care is essential for working parents. With the historic federal investments and strong state economy, California has an opportunity to eliminate harmful policies that disproportionately harm people and families of color and make lasting systemic improvements to the child care system. The state and federal emergency dollars in response to the pandemic have brought temporary relief to families throughout California. However, this year’s state budget does not include sufficient ongoing funding or policy changes needed to build child care availability and help families pay for child care.

We can eradicate harmful policies that perpetuate systemic racism and create new ones that work, and parents and child care providers must be at the table. In the past year and a half, the federal government has allocated over **\$50 billion solely to child care nationwide - this is the largest public investment in child care in history**. With this money, the Administration for Children and Families is urging states to make lasting improvements in our child care policies.

Now is the time for California to create new, sustaining, equitable policies so that families, women, children, child care providers - everyone touched by child care - can thrive.

* This expenditure is part of the Child Care Providers United negotiated agreement with the State of California. <https://www.calhr.ca.gov/Pages/childcare-providers-labor-relations.aspx>.

Endnotes

¹ Alissa Anderson, California Budget & Policy Center, *Women and People of Color Take Biggest Hits in California's Job Losses*, California Budget & Policy Center (June 2020), <https://calbudgetcenter.org/resources/women-poc-take-hits-in-californias-job-loss>.

² Megan Cerullo, *Nearly 3 million U.S. women have dropped out of the labor force in the past year*, CBS News (Feb. 5, 2021, 10:24 AM),

<https://www.cbsnews.com/news/COVID-19-crisis-3-million-women-labor-force/>; Annalyn Kurtz, CNN Business, *The US economy lost 140,000 jobs in December. All of them were held by women*, CNN Business (Jan. 8, 2021, 9:25 PM ET), <https://www.cnn.com/2021/01/08/economy/women-job-losses-pandemic/index.html>.

³ Nicole Bateman & Martha Ross, *Why has COVID-19 been especially harmful for working women?*, in 19A: The Brookings Gender Equality Series, <https://www.brookings.edu/essay/why-has-COVID-19-been-especially-harmful-for-working-women/> (The Brookings Institute 2020).

⁴ KidsData, Availability of Child Care For Working Families, <https://www.kidsdata.org/topic#cat=18,19> (citing 2019 data from the California Child Care Resource and Referral Network) (last visited Sept. 14, 2021).

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⁶ U.S. Dep't of Health & Hum. Servs., American Rescue Plan Act ("ARPA" or "ARP") Supplemental Stabilization and Child Care Development Fund ("CCDF") Discretionary Funding Allocation Tables – States and Territories, April 14, 2021, <https://www.acf.hhs.gov/occ/data/arpa-supplemental-stabilization-and-ccdf-discretionary-funding-allocation-tables-states> (California received this funding from the Federal government in April 2021) (last visited Sept. 13, 2021).

⁷ See Child Care Law Center, Memorandum Re: Child Care Funding in the American Rescue Plan Act, 2021, at 1, 6 (2021), <https://www.childcarelaw.org/what-we-do/policy-work/child-care-funding-in-the-american-rescue-plan-act-of-2021-by-the-child-care-law-center/>.

⁸ U.S. Dep't of Health & Hum. Servs., Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) of 2021 Allocations for States and Territories, Feb. 5, 2021, <https://www.acf.hhs.gov/occ/data/crrsa-2021-allocations-states-and-territories> (California received this funding from the Federal government in Feb. 2021) (last visited Sept. 13, 2021).

⁹ Cal. Dep't of Fin., 202-21 May Revision to the Governor's Budget Revised Budget Summary, May 14, 2021, at 42, <http://www.ebudget.ca.gov/2020-21/pdf/Revised/BudgetSummary/FullBudgetSummary.pdf> (Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") Funding Amount) (last visited Sept. 13, 2021).

¹⁰ Cal. Dep't of Fin., California Child Care Programs Local Assistance - All Funds 2021 Budget Act (\$ in thousands) (2021).

¹¹ Cal. Dep't of Fin., California Child Care Programs Local Assistance - All Funds 2021 Budget Act (\$ in thousands) (2021).

¹² Cal. Dep't of Fin., California Child Care Programs Local Assistance - All Funds 2021 Budget Act (\$ in thousands) (2021).

¹³ Cal. Dep't of Fin., California Child Care Programs Local Assistance - All Funds 2021 Budget Act (\$ in thousands) (2021).

¹⁴ Cal. Dep't of Fin., California Child Care Programs Local Assistance - All Funds 2021 Budget Act (\$ in thousands) (2021).

¹⁵ Cal. Dep't of Fin., California Child Care Programs Local Assistance - All Funds 2021 Budget Act (\$ in thousands) (2021).

¹⁶ Cal. Dep't of Fin., California Child Care Programs Local Assistance - All Funds 2021 Budget Act (\$ in thousands) (2021).

¹⁷ Cal. Dep't of Fin., California Child Care Programs Local Assistance - All Funds 2021 Budget Act (\$ in thousands) (2021).

¹⁸ Cal. Dep't of Fin., California Child Care Programs Local Assistance - All Funds 2021 Budget Act (\$ in thousands) (2021).

¹⁹ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 262 (Cal. 2021), Chapter 116, Statutes of 2021.

²⁰ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 263(b)(1) (Cal. 2021), Chapter 116, Statutes of 2021.

²¹ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 263(b)(2) (Cal. 2021), Chapter 116, Statutes of 2021.

²² Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 46 (Cal. 2021), Chapter 116, Statutes of 2021 (amending Cal. Educ. Code § 8242).

²³ Cal. Dep't of Fin., Early Learning and Child Development Programs 2021 Budget Act (\$ in millions) (2021).

²⁴ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 260 (Cal. 2021), Chapter 116, Statutes of 2021 (adding Cal. Welf. & Inst. Code § 10374.5(c)).

²⁵ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 264(c)(1) (Cal. 2021), Chapter 116, Statutes of 2021.

²⁶ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 265(e)(1) (Cal. 2021), Chapter 116, Statutes of 2021.

²⁷ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 263(b)(5) (Cal. 2021), Chapter 116, Statutes of 2021.

²⁸ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 263(b)(4)(A) (Cal. 2021), Chapter 116, Statutes of 2021.

²⁹ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 263(b)(3) (Cal. 2021), Chapter 116, Statutes of 2021.

³⁰ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 260 (Cal. 2021), Chapter 116, Statutes of 2021 (adding Cal. Welf. & Ins. Code § 10280.2(b)(1)).

³¹ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 265(b) (Cal. 2021), Chapter 116, Statutes of 2021; see Cal. Educ. Code § 8242.

³² See Sen. Comm. on Budget & Fiscal Rev., Child development programs, at 3, https://leginfo.ca.gov/faces/billAnalysisClient.xhtml?bill_id=202120220AB131 (last visited Sept. 17, 2021).

³³ Cal. Dep't of Fin., Early Learning and Child Development Programs 2021 Budget Act (\$ in millions) (2021).

³⁴ See Sen. Comm. on Budget & Fiscal Rev., Child development programs, at 3, https://leginfo.ca.gov/faces/billAnalysisClient.xhtml?bill_id=202120220AB131 (last visited Sept. 17, 2021).

³⁵ Cal. Dep't of Fin., Early Learning and Child Development Programs 2021 Budget Act (\$ in millions) (2021).

³⁶ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 260 (Cal. 2021), Chapter 116, Statutes of 2021; S. B. 129, 2021-2022 Leg. Reg. Sess., § 170 Item 5180-101-0001 Schedule (3) Provision 20 (Cal. 2021), Chapter 69, Statutes of 2021; S. B. 129, 2021-2022 Leg. Reg. Sess., § 197 Item 6100-149-0890 Schedule (2) Provision 5(b) (Cal. 2021), Chapter 69, Statutes of 2021.

³⁷ Cal. Dep't of Fin., California Child Care Programs Local Assistance - All Funds 2021 Budget Act (\$ in thousands) (2021).

³⁸ Cal. Dep't of Fin., California Child Care Programs Local Assistance - All Funds 2021 Budget Act (\$ in thousands) (2021).

³⁹ Cal. Dep't of Fin., California Child Care Programs Local Assistance - All Funds 2021 Budget Act (\$ in thousands) (2021).

⁴⁰ Cal. Dep't of Fin., California Child Care Programs Local Assistance - All Funds 2021 Budget Act (\$ in thousands) (2021).

⁴¹ Cal. Dep't of Fin., 2021-22 State Budget Enacted Budget Summary, June 28, 2021, at 80, <http://www.ebudget.ca.gov/budget/2021-22EN/#/BudgetSummary> (last visited Sept. 13, 2021).

⁴² Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 264(a)(1) (Cal. 2021), Chapter 116, Statutes of 2021.

⁴³ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 264(b)(1) (Cal. 2021), Chapter 116, Statutes of 2021.

⁴⁴ Cal. Dep't of Fin., California Child Care Programs Local Assistance - All Funds 2021 Budget Act (\$ in thousands) (2021). Note that the Department of Finance Budget Summary fact sheets were issued after AB 131 was signed into law. AB 131 allocates a total of \$739,025,000, for the Alternative Payment Program and General Child Care and Development program. FY21-22 is funded with \$403,000,000 and FY 2022-23 is funded with \$336,025,000. See Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 265(a) (Cal. 2021), Chapter 116, Statutes of 2021.

⁴⁵ Cal. Dep't of Fin., California Child Care Programs Local Assistance - All Funds 2021 Budget Act (\$ in thousands) (2021).

⁴⁶ Cal. Dep't of Fin., California Child Care Programs Local Assistance - All Funds 2021 Budget Act (\$ in thousands) (2021).

⁴⁷ Cal. Dep't of Fin., California Child Care Programs Local Assistance - All Funds 2021 Budget Act (\$ in thousands) (2021).

⁴⁸ Cal. Dep't of Fin., California Child Care Programs Local Assistance - All Funds 2021 Budget Act (\$ in thousands) (2021).

⁴⁹ Cal. Dep't of Fin., California Child Care Programs Local Assistance - All Funds 2021 Budget Act (\$ in thousands) (2021).

⁵⁰ Hearing on S.B. 131 Before the Assemb. Comm. on Budget, 2021-2022 Leg., <https://www.assembly.ca.gov/media/assembly-budget-committee-20210713/video>, (statements of Assemb. Fong, Vice Chair, Assemb. Comm. on Budget & Erika Lee, Erika Li, Chief Deputy Dir., Budget, & Jennifer Lopez, Assistant Program Budget Manager, Hum. Servs., at 50:16 - 53:33).

⁵¹ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 263(b)(3) (Cal. 2021), Chapter 116, Statutes of 2021.

⁵² Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 263 (Cal. 2021), Chapter 116, Statutes of 2021. (source of funds are SB 129 line item 6100-149-0890, which is American Rescue Plan funds, and \$60,000,000 in additional federal funds).

⁵³ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 263(b)(3)(B) (Cal. 2021), Chapter 116, Statutes of 2021.

⁵⁴ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 263 (Cal. 2021), Chapter 116, Statutes of 2021.

⁵⁵ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 263 (Cal. 2021), Chapter 116, Statutes of 2021. (source of funds are SB 129 line item 6100-149-0890, which is American Rescue Plan funds, and \$60,000,000 in additional federal funds).

⁵⁶ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 262(c)(1) (Cal. 2021), Chapter 116, Statutes of 2021.

⁵⁷ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 263(b)(1) (Cal. 2021), Chapter 116, Statutes of 2021.

⁵⁸ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 263(b)(2) (Cal. 2021), Chapter 116, Statutes of 2021.

⁵⁹ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 46 (Cal. 2021), Chapter 116, Statutes of 2021 (amending Cal. Educ. Code § 8242).

⁶⁰ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 264(c)(1) (Cal. 2021), Chapter 116, Statutes of 2021.

⁶¹ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 265(e)(1) (Cal. 2021), Chapter 116, Statutes of 2021.

⁶² Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 264(c) (Cal. 2021), Chapter 116, Statutes of 2021.

⁶³ See Assemb. B. 123, 2015-2016 Leg. Reg. Sess. § 77 Item 6100-194-0001 Provision 6(c) ("the funds appropriated in this item for the cost of license-exempt child care services provided through alternative payment or voucher programs...shall be used

only to reimburse license-exempt child care costs up to **60 percent** of the regional reimbursement rate limits established for family child care homes.”) (emphasis added); Assemb. B. 99, 2017-2018 Leg. Reg. Sess. § 13 (Cal. 2017), Chapter 15, Statutes of 2017 (amending Cal. Educ. Code § 8357(e) (repealed July 9, 2021) (increasing license exempt rates to 70% of family child care home provider rates)).

⁶⁴ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 263 (Cal. 2021), Chapter 116, Statutes of 2021 (source of funds are SB 129 line item 6100-149-0890, which is American Rescue Plan funds, and \$60,000,000 in additional federal funds).

⁶⁵ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 263(b)(5) (Cal. 2021), Chapter 116, Statutes of 2021.

⁶⁶ Assemb. B. 131, 2021-2022 Leg. Reg. Sess. § 263(b)(5)(B) (Cal. 2021), Chapter 116, Statutes of 2021.

⁶⁷ Child Care and Development Block Grant Act of 2014, P. Law 113-186, 128 Stat. 1971; see 45 C.F.R. § 98.45(l)(2) (“The Lead Agency shall demonstrate in the Plan that it has established payment practices applicable to all CCDF child care providers that...To the extent practicable, support the fixed costs of providing child care services by delinking provider payments from a child’s occasional absences by: (i) Paying based on a child’s enrollment rather than attendance...”).

⁶⁸ Cal. Dep’t of Fin., 2021-22 State Budget Enacted Budget Summary, June 28, 2021, at 80, <http://www.ebudget.ca.gov/budget/2021-22EN/#/BudgetSummary> (last visited Sept. 13, 2021).

⁶⁹ See Sen. Comm. on Budget & Fiscal Rev., Education finance: education omnibus budget trailer bill, at 3, https://leginfo.ca.gov/faces/billAnalysisClient.xhtml?bill_id=202120220AB130 (last visited Sept. 13, 2021); Assemb. Comm. on Budget, Assembly Floor Analysis - Concurrence in Senate Amendments analysis 1, at 2, https://leginfo.ca.gov/faces/billAnalysisClient.xhtml?bill_id=202120220AB130 (last visited Sept. 13, 2021).

⁷⁰ See Debbie Look, Cal. Comm. on Educ. Principal Consultant, Assembly Bill Third Reading Analysis, at 4, https://leginfo.ca.gov/faces/billAnalysisClient.xhtml?bill_id=202120220AB130# (last visited Sept. 13, 2021).

⁷¹ See Sen. Comm. on Appropriations, AB 22 (McCarty) - Transitional kindergarten: enrollment: funding: planning workgroups, at 1, https://leginfo.ca.gov/faces/billAnalysisClient.xhtml?bill_id=202120220AB130# (last visited Sept. 13, 2021).

⁷² See Sen. Comm. on Appropriations, AB 22 (McCarty) - Transitional kindergarten: enrollment: funding: planning workgroups, at 1, https://leginfo.ca.gov/faces/billAnalysisClient.xhtml?bill_id=202120220AB130# (last visited Sept. 13, 2021).

⁷³ See Sen. Comm. on Budget & Fiscal Rev., Education finance: education omnibus budget trailer bill, at 3, https://leginfo.ca.gov/faces/billAnalysisClient.xhtml?bill_id=202120220AB130 (last visited Sept. 13, 2021); Assemb. Comm. on Budget, Assembly Floor Analysis - Concurrence in Senate Amendments analysis 1, at 2, https://leginfo.ca.gov/faces/billAnalysisClient.xhtml?bill_id=202120220AB130 (last visited Sept. 13, 2021).

⁷⁴ Assemb. B. 130, 2021-2022 Leg. Reg. Sess. § 60 (amending Cal. Educ. Code § 48000(c)(1))) (Cal. 2021), Chapter 44, Statutes of 2021.

⁷⁵ Assemb. B. 130, 2021-2022 Leg. Reg. Sess. § 60 (amending Cal. Educ. Code § 48000(k)(1)-(8)) (Cal. 2021), Chapter 44, Statutes of 2021.

⁷⁶ Sarah Thomason & Annette Berhardt, *Front-line Essential Jobs in California: A Profile of Job and Worker Characteristics*, U.C. Berkeley Labor Center (May 14, 2020), <https://laborcenter.berkeley.edu/front-line-essential-jobs-in-california-a-profile-of-job-and-worker-characteristics/> (last visited Sept. 17, 2021).



The Child Care Law Center educates, advocates and litigates to make child care a civil right.

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