



Many Subsidized Child Care Providers Did Not Receive an Adequate Rate Increase in the 2021-22 Budget Agreement

Subsidized child care providers are paid in one of two basic ways: by contracting directly with the state or by accepting vouchers from families. Providers who accept vouchers are reimbursed by the state based on the Regional Market Rate (RMR) Survey, which provides “rate ceilings” for all 58 California counties by provider setting and the age of the child. This rate ceiling is the highest payment a provider can receive from the state.

Failure to routinely update payment rates limits providers’ ability to offer subsidized child care and restricts families’ access to care in their communities. From January 1, 2018 through December 31, 2021, payment rates remained flat — based on the 75th percentile of the 2016 RMR Survey. The 2021-22 budget agreement updated rates ceilings using the 75th percentile of the 2018 RMR Survey, but these rates were outdated even before the ceilings went into effect on January 1, 2022. The budget agreement also included funding to provide rate supplements for providers to account for inadequate rate increases, but details on the distribution of the rate supplements are not yet available.

Percent Change in the Full-Time, Monthly Regional Market Rate Ceiling by County from January 1, 2018 to January 1, 2022

	Licensed Child Care Center Rate Increase		Licensed Family Child Care Home Rate Increase	
	Children Under	Children Ages	Children Under	Children Ages
	Age 2	2 to 5	Age 2	2 to 5
Alameda	8%	16%	13%	17%
Alpine	0%	0%	0%	0%
Amador	0%	0%	2%	2%
Butte	5%	9%	12%	9%
Calaveras	0%	1%	7%	3%
Colusa	13%	0%	19%	11%
Contra Costa	5%	14%	10%	11%
Del Norte	0%	0%	0%	0%
El Dorado	19%	18%	24%	16%
Fresno	16%	11%	11%	14%
Glenn	0%	0%	19%	9%
Humboldt	7%	17%	11%	14%
Imperial	1%	0%	4%	1%
Inyo	4%	4%	5%	6%
Kern	15%	8%	8%	9%
Kings	13%	0%	0%	2%
Lake	0%	0%	12%	11%

Lassen	0%	0%	15%	5%
Los Angeles	6%	11%	21%	16%
Madera	9%	0%	3%	3%
Marin	6%	4%	5%	4%
Mariposa	0%	0%	1%	0%
Mendocino	0%	0%	4%	4%
Merced	0%	0%	10%	10%
Modoc	0%	0%	13%	12%
Mono	0%	0%	0%	0%
Monterey	0%	0%	6%	6%
Napa	0%	1%	9%	11%
Nevada	3%	0%	7%	6%
Orange	9%	16%	25%	20%
Placer	9%	17%	13%	15%
Plumas	0%	0%	3%	0%
Riverside	5%	4%	12%	13%
Sacramento	2%	10%	11%	6%
San Benito	5%	0%	7%	7%
San Bernardino	7%	2%	3%	4%
San Diego	6%	14%	11%	12%
San Francisco	8%	12%	6%	9%
San Joaquin	12%	8%	14%	11%
San Luis Obispo	3%	0%	10%	7%
San Mateo	9%	9%	9%	17%
Santa Barbara	0%	0%	10%	0%
Santa Clara	7%	11%	8%	15%
Santa Cruz	0%	1%	13%	11%
Shasta	3%	0%	10%	8%
Sierra	0%	0%	12%	8%
Siskiyou	4%	0%	9%	4%
Solano	7%	5%	12%	11%
Sonoma	7%	12%	17%	13%
Stanislaus	9%	1%	11%	9%
Sutter	15%	2%	9%	13%
Tehama	0%	0%	20%	12%
Trinity	0%	0%	15%	18%
Tulare	0%	0%	10%	8%
Tuolumne	0%	0%	9%	14%
Ventura	5%	8%	9%	11%
Yolo	5%	8%	11%	7%
Yuba	12%	0%	11%	9%

Source: Budget Center Analysis of Regional Market Rate Survey data

Contact: Kristin Schumacher (kschumacher@calbudgetcenter.org) or Erik Saucedo (esaucedo@calbudgetcenter.org)