



Assemblymember Ash Kalra



Lifting Up Families in District 25



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2025 Legislative & Budget Opportunities

For 2025, the focus must be on supporting the needs of working families, stability of children, poorly resourced communities, and meeting the needs of parents wherever they access services.

POSITIVES

- Maintains a commitment to implement a reimbursement rate for child care providers that actually covers the true cost of providing care.
- Recognizes the remaining promised child care slots still have not been released.
- Expands funds for TK expansion.
- Continues funding to nourish struggling families and children.
- Expands services and access to behavioral and mental health.

Opportunities

- Secure additional funds to reimburse child care providers - Recognize that the existing rates and supplements paid to family child care providers as well as a delayed implementation of a new rate system until 2027 is resulting in a continue exodus of providers and closures of centers. Secure an ongoing COLA for family child care providers to keep their doors open.
- Include private child care as a partner with schools in the expansion of TK.
- Provide services to parents wherever they enter to access resources, break down the silos, and build up public and private partnerships in all 58 counties. “NO WRONG DOOR” for families.

Strengthening & Supporting Whole Families

Department of Social Services

- Child Care
- CalWORKs
- CalFresh
- Child & Adult Care Food Program (CACFP)
- Immigration
- Housing
- Foster Care
- Child Welfare



California Department of Education

- California State Pre-School
- Transitional Kindergarten
- Universal Pre-Kindergarten
- Migrant Education
- Head Start



Department of Health and Human Services

- Supplemental Nutrition Assistance Program (SNAP)
- Home Visiting
- Mental Health & Substance Abuse Services
- Emergency Preparedness
- Medi-Cal
- Trauma Screenings & Trauma Informed Care



California Managed Risk Medical Insurance Board

- California Healthy Families Program



Multifaceted Needs of Families

For families struggling with multiple poverty related stressors, a coordinated multi-prong approach is needed to lift families to stability, self-sufficiency & to break the cycle of poverty.

IMAGINE

We are secure.
We are respected.
We are nourished.
We are valued.
We are free.



Bold revenues and investments are needed now to impact California's highest-in-the-nation child poverty rate

Data from 2023¹ confirms what we know:

After pandemic supports expired, child poverty in California spiked and continues to rise.

The Good News

California has made major progress. State and federal governments have proven their ability to lift children and families out of poverty and into lives where they feel valued, secure, and free. During the pandemic, federal and state governments successfully cut poverty in half with the rollout of the **Expanded Child Tax Credit, SNAP/CalFresh emergency allotments, and Pandemic EBT**. When pandemic programs went away, California fought hard to fill the gap.



2024 IMAGINE End Child Poverty CA Rally in Sacramento

The Challenge

Many federal poverty-fighting interventions have been allowed to expire. Racial and ethnic inequities continue to rise. This year will be an uphill fight nationally to get children and families the support they deserve.

We are ready for the fight, and California can lead the charge.

California Poverty by the Numbers²

- **Child poverty rose to 19.2% in 2023.**
- **California's poverty rate rose to 18.9% in 2023, nearly double the 11.0% in 2021.**
- **Racial and ethnic inequities grew, as 22% of Black families and 1 in 4 Latine families experienced poverty** – nearly double the poverty rate for white families (13.0%).
- **The largest one-year increase in poverty – 13.6% from 8.4% – was among American Indian, Alaska Native, Native Hawaiian, Pacific Islander, and multiracial Californians.**

Poverty is a policy choice.

California needs robust, equitable revenues and investments to provide care for children, immigrants, and low-income households struggling to meet their basic needs.

The power of our safety net to combat poverty³

- **Safety net programs kept about 1.3 million California children out of poverty.** That's 15% of our children.
- The safety net kept about **3.2 million Californians overall out of poverty (8.4%).**
- **CalFresh** kept **5%** of children out of poverty.
- The **federal Earned Income Tax Credit (EITC)** and **federal Child Tax Credit (CTC)** kept **2.3%** and **1.9%** more Californian children out of poverty, respectively.

We need bold, intentional, creative action in this year of instability. We call on state and federal leaders to raise revenues and invest to reach the Governor's North Star of ending child poverty, which is within our grasp.

¹ United States Census Bureau. "Poverty in the United States: 2023." Current Population Reports. September 2023.

<https://www.census.gov/content/dam/Census/library/publications/2023/demo/p60-280.pdf>

² Anderson, Alissa, et al. "California's Poverty Rate Soars to Alarming High Levels in 2023." California Budget & Policy Center. September 2024.

<https://calbudgetcenter.org/resources/poverty-rapidly-increased-for-californias-youngest-children/>

³ Bohn, Sarah, et al. "Poverty in California." Public Policy Institute of California. October 2023.

<https://www.ppic.org/publication/poverty-in-california/>

End Child Poverty CA is a coalition of 170+ groups working together until all our children are valued & free.



CACFP

CHILD AND ADULT CARE FOOD PROGRAM



1.95 million

NUTRITIOUS MEALS SERVED IN CALIFORNIA

625,000

CALIFORNIA CHILDREN SERVED DAILY

CACFP ENSURES ACCESS TO HEALTHY MEALS

The CACFP is a federal nutrition program that enables care settings, like family child care homes, child care centers, adult day health centers, and at-risk afterschool programs, to serve nutritious meals to children and adults. The CACP is an essential program that ensures adequate nutrition at critical points in human development and positive social growth through mealtime experiences.

THE PROBLEM

Children and aging adults who need access to nutritious and healthy meals are not receiving them because eligible care providers are not participating in the program, in large part, because the cost of meals is too high and the federal reimbursement doesn't cover the cost of labor and food.

THE SOLUTION

California knows that meals are an essential part of growth and development, as seen through the governor and legislature's Healthy School Meals for All policies and investments. Now we need leadership to invest in healthy meals for children in child care and our aging adult population. Leverage the federal dollars of CACFP, and shore up the difference with state investments to ensure access to healthy meals for those who need it most.

THE DETAILS

Nutritious and healthy meals served in care settings occur through the Child and Adult Care Food Program (CACFP), often referred to as “the Food Program.” This federal nutrition program is an essential component of the care economy, workforce support, healthy child development, and aging in place.

Daily, there are **4.7 million children and adults** receiving nutritious and healthy meals equating to **1.7 billion individual meals and snacks** served across the nation.

What does this mean for communities?

- Support for parents and caregivers, typically experiencing poverty wages, in the workforce, with financial and educational resources for meal planning and preparation
- Free nutritious, healthy meals and snacks in community-based child and adult care programs
- Reduced financial pressure on families by supplementing home meal budgets with CACFP meals (otherwise typically seen through increases in tuition or other direct costs to families)
- Healthy growth and development for young children and aging adults
- Improved quality of the meals served AND the care provided
- Additional training and support for care providers and parents
- A significant financial resource for child care providers, at risk afterschool programs, emergency shelters and adult day health service centers

For more information contact:

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Director Programs & Policy, CACFP Roundtable



Data Sources: Child Nutrition Dashboard: <https://www.fns.usda.gov/data-research/data-visualization/child-nutrition-dashboard>



California

2024 Head Start & Early Head Start Profile



SNAPSHOT

“Having grown up in a predominantly agricultural town, in a low-income household with a single parent, the odds were stacked against me. Head Start helped me beat those odds by helping me gain confidence as a learner and giving me a teacher that became a lifelong mentor.”

Darline Garibay, Oxnard



BY THE NUMBERS

\$1,456,583,197 FY23 Funding

91,006 Funded Seats Statewide

57,361 Funded Head Start Seats

25,903 Funded Early Head Start Seats

505 Funded American Indian/Alaska Native Head Start Seats

196 Funded American Indian/Alaska Native Early Head Start Seats

7,041 Funded Migrant and Seasonal Head Start Seats

1,709

Head Start and Early Head Start Centers Statewide



Visit nhsa.org/locator to view maps in detail with congressional districts.



The National Head Start Association is committed to the belief that every child, regardless of circumstances at birth, has the ability to succeed in life. Since 1974, NHSA has worked for policy changes that ensure all income-eligible children have access to the Head Start model.

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For citations and additional fact sheets, visit go.nhsa.org/state-profile



HEAD START'S MODEL

Nationwide, Comprehensive, Multi-Generational

In the nearly six decades since its founding, Head Start and Early Head Start has served nearly 40 million children and their families. Innovators and small business owners, police officers and members of the military, nurses and teachers, and even members of Congress—our alumni represent the vast and diverse fabric of our country. From early math and reading skills, to confidence and resilience, Head Start and Early Head Start helps children build the skills they need to be successful in school and life.

Head Start and Early Head Start takes a comprehensive approach to meeting the needs of young children and their families.

There are four pillars in every program.

Education: Learning experiences support intellectual, social, and emotional growth

Health Services: Immunizations, dental, medical, and mental health support, nutritional services, and early screenings ensure healthy development

Family Involvement: Opportunities for parents and caregivers to be involved in decision making, participate in classes, and volunteer in the program strengthen families

Wraparound Support: Tailored services meet local and individual needs and link children and families to community supports.



CHILDREN

729,592 Home Visits Conducted Throughout the Year

1,378 Pregnant Women Served

38,158 Newly Enrolled Children Completed Behavioral Screenings

8,909 Children Received Care for a Chronic Health Condition

78,870 Children Received Preventative Dental Care

57,589 Children Up-to-Date on Early and Periodic Screening, Diagnostic and Treatment Screenings

Participation in Head Start improves the likelihood of educational success, including a “2.7% increase in high school completion, an 8.5% increase in college enrollment, and a 39% increase in college completion. These estimates imply sizable, long-term returns to investments in means-tested, public preschool programs.”

[Prep School for Poor Kids: The Long-Run Impacts of Head Start on Human Capital and Economic Self-Sufficiency \(2021\)](#)



FAMILIES

7,045 Homeless Families Served

65,027 Families Received Services that Promote Family Outcomes

15,633 Fathers Involved in their Child's Educational Experiences

“The key takeaway is that **the benefits of Head Start appear to transfer from one generation to the next** in a substantial way... These results imply that cost-benefit analyses of Head Start and similar early childhood interventions underestimate the benefits of such programs by ignoring the transmission of positive effects across generations.”

[Breaking the Cycle? Intergenerational Effects of an Antipoverty Program in Early Childhood. \(2022\)](#)



COMMUNITIES

4,474 Head Start and Early Head Start Classrooms

27,176 Total Head Start and Early Head Start Staff

60,549 Parents Employed, in School, or in Job Training

“Head Start generates a net present value of \$1,204 per child who attends”, far exceeding the costs of the program. Additionally, “25 years after participation, **Head Start reduces the incidence of poor health**. These health impacts have large economic significance, as the U.S. annually spends \$144 billion on health conditions that limit work.”

[The physical and mental health returns of Head Start 25 years after participation: evidence from income eligibility cutoffs. \(2023\)](#)

CALIFORNIA CHILD CARE & DEVELOPMENT INFRASTRUCTURE GRANT PROGRAM (IGP)






In the 2020-21 and 2021-22 budget years, California allocated \$350.5 million for the Child Care and Development Infrastructure Grant Program to address the supply side of the child care crisis. The first round of funding was allocated in the 2019-20 budget but was swept back into the General Fund at the onset of the COVID-19 pandemic. The Legislature reinstated funding over the next two budget years by allocating ARPA dollars in 2020-21 and general funds in 2021-22. The Program is managed by the **California Department of Social Services (CDSS)** and administered by the **Low Income Investment Fund**. Funding is used for child care provider facility repair and renovation projects as well as new construction and major renovation.

Round 1 - Minor Renovations & Repairs

Using American Rescue Plan Act (ARPA) funds, the first round of IGP had \$200.5 million available for minor renovation and repair projects for qualifying child care providers operating in both centers and family homes. These kinds of projects included repairing and replacing play equipment, fixing flooring, plumbing, HVAC and electrical systems, as well as shoring up fire safety features and meeting ADA requirements, among other uses.

"Receiving these funds has truly changed the overall environment of my child care center. It has allowed the children under my care to have more space to be curious and further learn about the outside world. It has also allowed me to feel more confident in the space where I conduct my work, a sense of accomplishment as well as pride has been given to me. The IGP has not only helped me as an individual but my community as well."

-IGP Round 1 Grantee

| | | |
|--------|---|--|
| Need | 5,405 applicants | |
| | \$390 million requested | |
| | 3,834 grantees | |
| | \$200.5 million awarded | |
| Impact |  79,903 children served | |
| |  800 centers |  3,034 FCCs |
| | | |

| | | |
|--------|---|--|
| Need | 1,848 applicants | \$666 million requested |
| Impact | 255 grantees | \$150 million awarded |
| |  9,553 projected new spaces | |
| |  141 centers |  116 FCCs |
| | Expansions: 148 | New sites: 108 |

State general funds allocated to IGP 2 focused on new construction and major renovations to expand the number of child care spaces across the state.

Climate resilient adoptions:

- Permanent shade structures
- Heat resistant play structures & materials
- Energy efficient appliances
- Heat pumps & new HVAC systems
- Flood resistant landscaping with drainage and permeable materials

Continued need:

While California's unprecedented investment in child care infrastructure is making it possible for child care providers to upgrade and expand their facilities, the \$1 billion requested far exceeds the \$350.5 million allocated. With no dedicated source of federal funding for early childhood infrastructure and capital projects, California must continue to lead the nation in funding child care facilities improvement and expansion through the IGP. High quality, developmentally appropriate, and climate resilient child care settings will ensure all children have a healthy and safe start.

Build Up California supports:

- Exempting IGP grants from California state income tax
- Continuing funding for the IGP, with a focus on increasing infant and toddler spaces
- Meeting climate risk needs by providing funding and incentives for child care facilities to withstand and recover from climate events



Infrastructure Grant Program County Data

CALIFORNIA CHILD CARE & DEVELOPMENT INFRASTRUCTURE GRANT PROGRAM (IGP) Santa Clara County



IGP is administered by CDSS in partnership with LIIF. Build Up California is an ECE facilities advocacy initiative of LIIF.

Last edited: December 2024, figures subject to change

| ROUND OF FUNDING | PURPOSE OF GRANTS | ECE PROVIDER APPLICATIONS RECEIVED | REQUESTED FUNDING (TOTAL) | ACCEPTED APPLICATIONS | AVAILABLE FUNDING (APPROVED) |
|------------------|--|------------------------------------|---------------------------|-----------------------|------------------------------|
| Round 1 | Minor repairs & renovations <i>Applications closed 3/25/22</i> | Statewide | | | |
| | | >5,000 | \$309.6 million | >3,800 | \$200.5 million |
| | | Santa Clara County | | | |
| | | 227 | \$18,182,687 | 163 | \$10,141,653 |
| Round 2 | New construction & major renovations <i>Applications closed 1/31/23</i> | Statewide | | | |
| | | 1,848 | \$666 million | 253 | \$150 million |
| | | Santa Clara County | | | |
| | | 65 | \$30,249,426 | 7 | \$5,309,561 |

Round 1



View IPG 1 Recipients Map on buildupca.org

109

Home-based programs



54

Center-based programs

72%
of total projects funded in Santa Clara County

7,827 children served through enhanced spaces
1,315 jobs preserved

Payments began late 2022

Round 2

11%

of total projects funded in Santa Clara County

Projected & actual spaces created:

| Age group | If all applications were funded | Awarded providers |
|------------|---------------------------------|-------------------|
| Infant | 329 | 65 |
| Toddler | 746 | 168 |
| Preschool | 1,127 | 279 |
| School-age | 168 | 26 |
| Total | 2,370 | 538 |

Payments will be sent on a rolling basis starting in early 2025

1

Home-based programs



6

Center-based programs

Construction type:

| | |
|------------|---|
| Expansion | 2 |
| New site | 5 |
| Relocation | 0 |



Click on the counties below to open their factsheet:

- [Santa Clara](#)

California's Child Care System: Challenges and Opportunities

Child care is essential, so why is it **underfunded, understaffed, unavailable, and unaffordable?**



Historical Causes

- Historically rooted discrimination
- Insufficient funding
- Low birth rates
- Rising inflation
- Failure to support the mixed delivery system and parental choice

Negative Effects

- Underpaid, dedicated, and experienced child care providers are leaving the field
- Domino effect resulting from Transitional Kindergarten expansion
- Facilities are closing, which primarily hurts women of color who run 70% of small child care businesses
- Parents are having trouble finding child care, especially infant and toddler care
- Child care fees are rising

Solutions

- Implement the alternative rate methodology
- Expand the number of funded subsidized child care spaces
- Fund a pathway to the vocation of Early Childhood Education
- Strengthen funding and coordination to create a cohesive system that delivers a variety of programs to meet families' needs in a 24/7 economy

A timely transformation of the early childhood education system is required to help California's families and economy thrive.

Building a Mixed Delivery System

California's early care and education mixed delivery system provides families with high-quality child care and preschool options administered through center- and home-based programs, Head Start, Early Head Start, the California State Preschool Program and public schools to ensure access to high-quality, affordable early care and education options for children and their families.

An appropriately funded mixed delivery system, which would draw on the decades of expertise and existing infrastructure in the early care and education sector, is essential to serving our state's youngest learners, including infants and toddlers and preschool-aged children. It is the most cost-effective and sustainable solution to deliver affordable high-quality early care and education to all. A true mixed delivery system requires coordination and alignment across administrating agencies.

Protects diversity in the provider network:

- The community-based early care and education space is comprised of predominantly small businesses operated by women—primarily by women of color.
- These providers currently serve the majority of young children across a range of settings, both home- and center-based.



Supports choice and flexibility for families:

- Working families need access to options with hours that meet their needs. Programs within the mixed delivery system provide a variety of early care and education options that range from part-day to full-day care and school year to full-year care which allows families to choose the program that best meets their needs in a 24/7 economy.
- Parents at all income levels and across geographies need the ability to choose which program is best suited for their children and family needs, including access to a culturally and linguistically affirming environment.
- Alongside public counterparts, community-based providers ensure that numerous affordable options exist for children, especially in at-risk areas.



Ensures high-quality experiences for children:

- Children benefit from continuity of experience with the same caring adults throughout the day and year.
- Collectively, community-based programs, whether center-, home-, or faith-based, provide a continuous experience for children and families across all working hours—which simultaneously benefits parents.



Building a Mixed Delivery System Continued

Expansion of Transitional Kindergarten and Impacts on the Broader Mixed Delivery System



When community-based providers lose pre-K enrollment due to Transitional Kindergarten programs and other factors, they will need to raise prices for infants and toddlers, rendering these services unaffordable for many families.



To make child care budgets work, tuition is needed from three- and four-year-old classrooms to help offset the cost of care for infants and toddlers. Care for younger children is more expensive to provide due to lower adult-child ratios.



If providers cannot maintain enrollment at these higher prices, many will face challenges in remaining operational or have no choice but to close their doors. Closures of community-based options would cause a significant shortage—beyond the shortages that already exist today in child care deserts across the State.



Program closures and child care shortages would negatively impact the economy as industry jobs are lost (both providers and educators) and parents are forced to drop out of the workforce due to lack of adequate care options.

While the TK program provides another early learning program option for four-year-olds and allows for community-based providers to offer wraparound services through the Expanded Learning Opportunities Program (ELOP), there are logistical hurdles to providing developmentally appropriate services and the per child reimbursement for ELOP is insufficient.

Program Types



DIRECT CONTRACTS – TITLE 5 SUBSIDIZED CHILD CARE

CDE administers the California State Preschool Program, while CDSS administers the General Child Care Program (CCTR), the Severely Handicapped Program (CHAN), and the Family Child Care Education Home Networks (CFCC) Program. To operate these programs, the State contracts directly with child care centers and Family Child Care Home Education Networks for a fixed number of child care slots. Title 5 contracted programs must meet Title 5 and Title 22 regulations.

California State Preschool Program (CSPP): Program that serves eligible three and four-year-old children in both part-day and full-day services that provide a core class curriculum that is developmentally, culturally, and linguistically appropriate for all children. Local Education agencies, community agencies, non-profit agencies, and Family Child Care Home Education Networks can contract with CDE to provide this care.

General Child Care and Development (CCTR): Run through CDSS, General child care and development programs are state and federally funded. These programs are center-based, family child care homes that are private and publicly run, and local educational agencies. General child care provides development services for children ages 0-3, and 5-12. General child care focuses on developmentally, culturally, and linguistically appropriate educational components.

Children with Severe Disabilities (CHAN): The CHAN program provides federal and state funds for children with exceptional needs with access to child care and development programs up to 21 years of age. The program is located in the San Francisco Bay Area.

Migrant Child Care and Development Program (CMIG): For families earning at least 50% of their income through employment in fishing, agriculture, or agriculturally related work during a 12-month period preceding enrollment. The program uses center-based and family child care home networks to serve children aged birth through 12 years and older with exceptional needs. They offer culturally, linguistically, and developmentally appropriate education, parental education, and health and social services referrals as needed. This program is run through CDE and uses Title 5 Education code as its directives.

VOUCHER-BASED CHILDCARE

These programs provide payment vouchers for families to obtain care in licensed child care centers, licensed family child care homes, or license-exempt care. The family may choose the type of care that their child receives.

Alternative Payment Programs (CAPP) – Administrated through the California Department of Social Services, funded with state and federal funds. They offer a mixed delivery system of care for children using in-home care, family child care, and center-based care. This program helps families choose a service that makes sense for their needs, and APP pays directly to the childcare provider for the parent.

Migrant Alternative Payment Program (CMAP)- This program is run through CDSS and uses WIC directives. Eligible families are issued vouchers that can be used to purchase child care at legally operated childcare providers throughout California's Central Valley. This program also services birth through 12 years of age and older children with exceptional needs, and funding follows the families if they move for agricultural work.

Emergency Foster Care Bridge Program

One-pager coming soon!

Community-Based Organizations Serving the Needs of Families

What is the role of a Community-Based Organization (CBO) in California's child care system?

Alternative Payment Programs (APPs) are community-based organizations that provide a safety net of services and serve as a "one-stop" shop for families eligible for subsidized child care. APPs may offer a variety of child care arrangements for parents to choose from including family child care and center-based care. The APP program supports parental choice and accommodates the individual cultural and linguistic needs of the family and children.

APPs have evolved to offer additional services that will help families achieve economic self-sufficiency, including: food access, housing, medical care, mental health, home-visiting, transportation, legal assistance, translation services, and more.



Parents choose the care type that meets their needs



Parents are able to attend work or school



The family accesses supportive services that meet their needs

Where are APPs found?

For over 47 years, these community-based organizations have existed in each of California's 58 counties. A searchable listing of all existing APPs can be found on the website below. Additionally, hosted on this site will be 120 legislative links that will connect to district specific information and resources available in each county available to serve families.

Community-Based Organizations Serving Your District



Go Kids, Inc.



GET TO KNOW US



| | | |
|--|--|---|
| <h3>\$95M</h3> <p>An agency's budget that exceeds \$95 million and serves four different counties.</p> | <h3>100</h3> <p>Go Kids, Inc. also maintains sub-contracts with over 100 licensed Family Childcare Homes (FCCH) with extensive Alternative Payment capacity.</p> | <h3>5,100</h3> <p>Go Kids, Inc. serves more than 5,100 children and their families each year.</p> |
|--|--|---|

Go Kids, Inc. was established in 1975 when it was awarded a grant from the city of Morgan Hill to provide early childhood education training to unemployed women from low-income backgrounds. Since its incorporation as a nonprofit in 1978, the agency budget and service area has continued to grow. Go Kids is now headquartered in Gilroy and provides services in the quad-county region of Santa Clara, San Benito, Monterey, and Santa Cruz. The agency's budget now exceeds \$95 million, and we have a long history of diverse funding that has included financial support from the Department of Social Services (DSS), the California Department of Education (CDE), United Way, various Foundations, and the First 5 Commission in each of the counties we serve. We are a nonprofit child development agency that envisions communities where every child has the support they need to reach their greatest potential. The mission of Go Kids is to enhance the lives of children and families through the delivery of comprehensive child development services and community involvement.

Go Kids now serves more than 5,100 children each year and operates seven licensed child development centers serving infants, preschool, and school-age children. One center operates seasonally for migrant families. The agency also maintains sub-contracts with over 100 licensed Family Childcare Homes (FCCH) and has extensive Alternative Payment capacity to provide families with options to meet their diverse needs. Go Kids coordinates a multi-disciplinary collaborative in Salinas to bring early intervention services to families with young children, operates the San Benito County Childcare Resource and Referral program, and provides fiscal services to other nonprofit organizations via GK Financial, the agency's social enterprise endeavor.



Go Kids, Inc.

885 Moro Drive, Gilroy, CA 95020



408.843.9000



www.gokids.org

[Click here to see more!](#)

How Child Care Providers are Reimbursed



California currently has two systems for reimbursing early learning services: Child care providers meeting Title 22 standards are reimbursed using a Regional Market Rate (RMR) that accounts for geographic economic cost factors, While directly state-contracted early learning centers that meet Title 5 standards, in addition to Title 22 standards, are reimbursed at a flat Standard Reimbursement Rate (SRR).



SRR

- Contract-based programs – funding based per child.
- One flat fee across state, not based on regional differences.

RMR

- Voucher-based programs: funded based on number of spaces.
- Spaces amount referenced to project number of budgeted spaces is the average cost of care for child care in CalWORKs Stage 3.
- RMR survey is conducted every other year.



| Program | Payment Type |
|--|-----------------------------|
| CalWORKs Child Care | Voucher |
| Alternative Payment | Voucher |
| General Child Care | Direct Contract |
| State Preschool | Direct Contract |
| Care for Children with Severe Disabilities | Direct Contract |
| Migrant Child Care | Voucher and Direct Contract |

Relief is on the Way for Child Care Providers

Currently, California's subsidized family child care businesses and centers are reimbursed based on an antiquated 2018 structure that does not cover the true cost of providing quality nurturing child care in California's 24-hour/7 days-per week economy.

Due to the fact that California's child care reimbursement fails to adequately cover the cost of providing care, in 2023 the Legislature approved a monthly supplemental payment to providers (see chart):

| Region | Licensed Family Child Care Providers | License-Exempt Providers | Centers |
|-------------|--------------------------------------|--------------------------|---------|
| Central | \$140 | \$98 | \$140 |
| Northern | \$141 | \$99 | \$141 |
| Southern | \$160 | \$112 | \$160 |
| Los Angeles | \$171 | \$119 | \$171 |
| Bay Area | \$211 | \$148 | \$211 |

However, adding the the current rate structure plus the supplemental payments together still reimburses child care providers between \$7.01 per hour for licensed-exempt care to \$10.33 per hour in a licensed family child care.



- Single rate structure for all of child care.
- Covers the true cost of providing child care.
- Is updated annually with cost of living considerations.

California is in process to realize a single rate structure. However, based on a CDSS report, this will not be done until 2027. And it is unclear if the new rates will truly cover the cost of providing care.

Child Care Providers Need Relief NOW!

Minimum Wage Increases in the Context of Child Care

Decades of consistent increases...

2000 → \$5.75¹

2025 → \$16.50²

**178%
INCREASE**



Without **IMPLEMENTING**
rate reform in 2025, and
without the
supplemental rate listed
on the prior page,
child care provider
reimbursement will
revert to...³

\$3-\$8

Consistently **stagnant** and low
wages for **highly qualified** early
learning professionals means
low retention and recruitment
rates and less people available
to **support** parents and
children!

**Does this
seem
equitable
to you?**

- Based on the 2018 regional
market rate survey

1. History of California Minimum Wage

2. California Department of Industrial Relations

3. California's Child Care Providers Need a Substantial Pay Raise, CalBudget Center March 2023.

The Workforce Behind the Workforce



Worker Exodus¹

33%

reduction in child care centers between 2020 and 2021

14%

reduction in family child care homes between 2020 and 2021

Family support workers, including child welfare, are also exiting the field due to **high stress** and **not enough staff** to maintain quality work

Economic Costs²

\$17 Billion

Lost per year in California due to the infant-toddler child care crisis

California early learning and care providers need legislators who will care for them so that they may care for others. This workforce allows parents to work, gives families resources to thrive, and creates safe places for children learn and grow.

On June 26, 2023, 843 licensed California family child care providers attended a virtual meeting seeking beneficial ways to serve more families that need infant care.

Providers shared their fears on being forced to close as filling non-infant child care slots becomes increasingly difficult while attracting and retaining staff seems impossible with low compensation. The same is true in the family support workforce.

We must uplift families by investing in the workforce that supports them.

Solutions include:

- Increased compensation for caregivers
- Additional support and training for managers
- Creating a more positive and safe work environment

1. [2021 Child Care Portfolio, California Child Care Resource & Referral Network](#)

2. [The Growing, Annual Cost of the Infant-Toddler Child Care Crisis in California, ReadyNation CA](#)

California's Number of Families in Poverty Grows While Child Care Spaces Expansion Stagnates

CA's Poverty Rate Increased 18.9% from 2022 to 2023

CA's Child Poverty Rate is 19.2%²

Subsidized Child Care Spaces³

| Program | 2024 Spaces |
|--|----------------|
| CalWORKs S1 | 53,419 |
| CalWORKs S2 | 44,317 |
| CalWORKs s3 | 43,326 |
| VOUCHERS (CAPP) | 161,332 |
| EMERGENCY CHILD CARE BRIDGE | 5,537 |
| GENERAL CHILD CARE CENTERS & FAMILY CHILD CARE HOME EDUCATION NETWORKS | 54,327 |
| MIGRANT PROGRAMS (CMAP, CMIG) | 5,029 |
| TOTAL | 367,287 |

The number of children eligible for supportive services in 2022 was

2.1 MILLION¹

In 2022, the state committed to adding 200,000 new child care spaces to help increase the number of families who can access subsidized child care.

However, the poverty rate rose 18.9% between 2022 and 2023. As of 2024, there are only 367,287 subsidized child care spaces available, while there are over 2 million children who have fallen into poverty and qualify for subsidized care.

To date, we have increased the number of spaces by ~119,000. However, the 2023-24 budget delayed full implementation of the expansion of spaces until 2026-27.⁴ Additionally, the increase in the poverty rate have added more eligible children to the income-eligible list. If all slots 200,000 were awarded and filled, we would continue to fall behind in serving the number of families in poverty in California.

¹CalBudget Center, California's Child Care System Serves Only a Fraction of Eligible Children

²U.S. Census Bureau, Poverty in States and Metropolitan Areas: 2023

³CDSS, 2024 DSS Budget Reference

⁴LAO Child Care and State Preschool, the 2023-24 California Spending Plan

California Child Care Supply by Age & Type

| CHILD CARE SUPPLY ¹ | LICENSED CHILD CARE CENTERS | | | LICENSED FAMILY CHILD CARE HOMES | | |
|--------------------------------|-----------------------------|---------|--------|----------------------------------|---------|--------|
| | 2021 | 2023 | CHANGE | 2021 | 2023 | CHANGE |
| Total number of spaces | 695,133 | 718,815 | 4% | 267,902 | 271,517 | 1% |
| Under 2 years | 47,842 | 54,433 | 13% | | | |
| 2-5 years | 518,875 | 539,912 | 5% | | | |
| 6 years and older | 128,416 | 124,470 | -3% | | | |
| Total number of sites | 10,492 | 10,552 | 0.57% | 25,205 | 25,284 | 0.31% |



Schedule & Cost

| CHILD CARE SUPPLY AND COST ⁴ | LICENSED CHILD CARE CENTERS | LICENSED FAMILY CHILD CARE HOMES |
|---|-----------------------------|----------------------------------|
| Full-time and part-time spaces | 61% | 75% |
| Only full-time spaces | 27% | 23% |
| Only part-time spaces | 13% | 1% |
| Sites offering evening, weekend or overnight care | 2% | 35% |
| Median monthly full-time infant care (0-23 months) ⁵ | \$1,643 | \$1,232 |
| Median monthly full-time toddler care (24-35 months) ⁵ | \$1,024 | \$1,032 |
| Median monthly full-time preschool care (36-54 months) ⁵ | \$975 | \$969 |

Child Care Availability

| CHILD CARE AVAILABILITY ³ | STATE | |
|---|-------|------|
| | 2020 | 2023 |
| Children age 0-12 with parents in the labor force for whom a licensed child care space is available | 25% | 26% |

Footnotes:

- 1.Resource and Referral (R&R) databases. (2023).
- 2.California Department of Social Services. (2023). CD2504 R&R Child Care Service Data Report.
- 3.American Community Survey Microdata and R&R databases (2023). Calculated by KidsData.
- 4.R&R databases. (2023). Schedule data were not available for parts of Los Angeles and San Bernardino counties.
- 5.Women's Bureau, U.S. Department of Labor. (2019-2022). National Database of Childcare Prices. Prices are presented in 2022 dollars.
- 6.California Department of Social Services. (2023). CD2504 R&R Child Care Service Data Report. Percentages may exceed 100% when multiple options are chosen.

California Child Care Resource & Referral

N E T W O R K

For more information about child care in
CALIFORNIA:
California Child Care Resource & Referral Network
415-882-0234
www.rrnetwork.org



Serving Children with Special Needs

The first five years of a child's life are critical for brain development, with lifelong effects. Children who grow up in neighborhoods with high poverty rates experience a significant amount of trauma. Poverty creates various adverse experiences, such as food insecurity, substandard housing, exposure to violence, and limited access to quality healthcare and education. These experiences can have a significant impact on children's mental and physical health, leading to long-term negative outcomes.

Raising a child with special needs can be costly and **on average parents spend thousands each year** to care for one child.

See estimates listed on the chart:

ESTIMATED COST TO RAISE A CHILD WITH DISABILITIES



1. <https://www.todayparent.com/family/special-needs/the-cost-of-raising-a-special-needs-child/>
2. <https://www.incharge.org/debt-relief/financial-assistance-special-needs-children/>
3. [The Financial Costs Of Raising A Child With Special Needs](#)

California Department of Education (CDE) collected data states special education **services were provided to 850,995 individuals from newborn to twenty-two years old in 2023-24.**

Listed on the right are California disability categories and enrollment for individuals who received special education services in 2023-24:

CALIFORNIA DISABILITY CATEGORIES AND ENROLLMENT 2023-24
[Special Education - CalEdFacts \(CA Dept of Education\)](#)



To serve children with special needs, California has program services available in different settings (i.e., home-based child care, preschool, school-age classrooms, etc.) **that is at no cost to parents:**

- [Head Start](#) is committed to inclusion and belonging for all children and have several services and programs to support this.
- [Resource and Referral](#) assists families regardless of income in locating licensed child care and provides training and support for child care professionals.
- [Quality Start Los Angeles \(QSLA\)](#) is a collaboration between [Los Angeles County Office of Education \(LACOE\)](#), [Office for the Advancement of Early Care and Education \(OAECE\)](#), [LAUP](#), [First 5 LA](#), and the [Child Care Alliance of Los Angeles \(CCALA\)](#) on providing ongoing technical supports, coaching and training to educate teaching staff and family child care providers on an array of inclusion and child development topics.
- [California Department of Education \(CDE\)](#) works with colleges and universities to provide teachers and service providers professional development and training to adequately care for children with disabilities.

Adverse Childhood Experiences

Adverse Childhood Experiences (ACEs) are closely linked to developmental delays in children, socially, emotionally, and physically, and increase lifelong risk of various health problems and academic delays. Research has found that children in disadvantaged neighborhoods are less likely to complete high school and attend college, perpetuating a lack of social mobility across generations.

However, there is hope. Screening young children for developmental delays is crucial as it allows for early interventions to take place. By identifying potential delays at an early age, there is a higher likelihood that children will reach developmental milestones at appropriate times and be better prepared for school.

Early interventions can play a crucial compensatory role in supporting children's development and future success.



It is possible to mitigate the toxic impact of ACEs, with safe, stable, and nurturing relationships – but while training programs have been created to teach child care professionals how to accomplish this, there is no comparable path for parents to acquire this critical information. Community-based organizations can reduce ACEs through early intervention with child care and providing direct services and resource for families. It is important to note that community partners are the greatest resources to help families thrive.

Resources:

- [Expanding Access to Inclusive Early Education for Children With Disabilities – WestEd](#)
- [Infographic Young Children Disabilities – Head Start](#)
- [A Public Health Approach to Adverse Childhood Experiences | Adverse Childhood Experiences \(ACEs\) | CDC](#)

Data Sources & References

Child Care & Early Learning

- [Federal Proposed Child Care & Development Fund \(CCDF\) Regulatory Changes](#)
- [The Infant/Toddler Child Care Crisis: Impact on families, businesses, and taxpayers](#)
- [Dual Language Learner Facts](#)
- [State Median Income \(SMI\) levels for FY 2023-24](#)
- [Federal Head Start Workforce and Consistent Quality Programming – Public Comment Period](#)
- [Reimbursement Ceilings for Subsidized Child Care](#)
- [CDSS Child Care & Development Division](#)
- [Investing in Early Care and Education: The Economic Benefits for California](#)
- [California Child Care Data & State Fact Sheet](#)
- [Child Care Multipliers](#)
- [Child Care Supplemental Rates](#)
- [CDSS Rate Reform Update](#)

Poverty

- [2023 Federal Poverty Levels](#)
- [Poverty in California 2023](#)
- [Visual: Poverty Without the Social Safety Net](#)
- [PPIC: Poverty in California increased between 2021 and fall 2023](#)
- [California Department of Public Health: Children in Poverty](#)

Other

- [2022 Federal Census Tract Information](#)
- [California Unemployment Rate](#)
- [CDSS CalFRESH Program](#)
- [California KidsData for every elected officeholder](#)

data =
knowledge
= **power**

Partners



We are grateful to the skilled and committed staff members of all the organizations listed above who made this possible.

Their unwavering dedication has helped us to inform, educate, and uplift the needs of families across California.

Thank you to these fearless advocates for working together to make a difference.



Scan this QR code or [click here](#) to see packets for all members of the California State Legislature and additional resources.