CAPPA Budget Webpage
2017-18 Archived Budget Information

June 27, 2017 - Governor signs 2017-18 budget and trailer bills without changes!
Child Care Programs: Click here to find the DOF Program Paper and the DOF One-Pager for the 2017 Budget Act.
Click HERE to read the California 2017 - 18 enacted budget E-Summary.
Foster care child care bridge funding press release.
EESD Releases Budget Update summary and additional information regarding the implementation of early care and education budget provisions
June 16, 2017 - Budget and trailer bills have been passed, and enrolled to the governor.

June 12, 2017 - AB 97 (Budget Bill) , SB 83 (Education trailer bill), AB 99 (Education trailer bill), SB 89 (Human Services trailer bill) and AB 105 (Human Services trailer bill) - include language to do the following:

12-Month Eligibility

Existing law requires the Superintendent of Public Instruction to adopt rules and regulations on eligibility, enrollment, and priority of services needed to implement the Child Care and Development Act. The act, and regulations adopted pursuant to the act, set forth eligibility requirements for families to receive federal and state subsidized child development services, including income eligibility requirements, and impose various time limits for receipt of services and recertification for continued services.

This bill (SB 83) would provide that a family, upon establishing initial eligibility or ongoing eligibility for services under the act, shall be considered to meet all eligibility and need requirements for those services for not less than 12 months, shall receive those services for not less than 12 months before having their eligibility or need recertified, and shall not be required to report changes to income or other changes for at least 12 months, except as provided. The bill would require the State Department of Education to implement this provision through management bulletins or similar letters of instruction on or before October 1, 2017, until regulations are filed with the Secretary of State to implement the provision. The bill would require the department to initiate a rulemaking action to implement the provision on or before December 31, 2018. The bill would require the department to convene a workgroup of parents, advocates, department staff, child development program representatives, and other stakeholders to develop recommendations regarding implementing the provision.

12- month eligibility - Section 8263 (h)(1) is amended to read -
(h) (1) Except as provided in paragraphs (2) to (4), inclusive, upon establishing initial eligibility or ongoing eligibility for services under this chapter, a family shall be considered to meet all eligibility and need requirements for those services for not less than 12 months, shall receive those services for not less than 12 months before having their eligibility or need recertified, and shall not be required to report changes to income or other changes for at least 12 months.
(2) A family that establishes initial eligibility or ongoing eligibility on the basis of income shall report increases in income that exceed the threshold for ongoing income eligibility as described in subdivision (b) of Section 8263.1, and the family's ongoing eligibility for services shall at that time be recertified.
(3) A family that establishes initial eligibility or ongoing eligibility on the basis of seeking employment shall receive services under this chapter as follows:
(A) If seeking employment is the basis for initial eligibility, the family shall receive services under this chapter for not less than six months.
(B) If, at the time of recertification, the only basis established for ongoing eligibility is a parent's need to seek employment, the family shall receive services for no less than six months.
(4) A family may at any time voluntarily report income or other changes. This information shall be used, as applicable, to reduce the family's fees, increase the family's services, or extend the period of the family's eligibility before recertification.
(i) (1) Because a family that meets eligibility requirements at its most recent eligibility certification or recertification is considered eligible until the next recertification, as provided in subdivision (h), a payment made by a child development program for a child during this period shall not be considered an error or an improper payment due to a change in the family's circumstances during that same period.
(2) Notwithstanding paragraph (1), the Superintendent or his or her designated agent may seek to recover payments that are the result of fraud.
(j) (1) Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) and Section 33308.5 of this code, until

regulations are filed with the Secretary of State to implement subdivision (h), the department shall implement subdivision (h) through management bulletins or similar letters of instruction on or before October 1, 2017.
(2) The department shall initiate a rulemaking action to implement subdivision (h) on or before December 31, 2018. The department shall convene a workgroup of parents, advocates, department staff, child development program representatives, and other stakeholders to develop recommendations regarding implementing subdivision (h).

Income eligibility

The bill (SB 83) would revise the definition of "income eligible" for purposes of establishing initial income eligibility for services under the act, and would add a definition of "ongoing income eligible" for purposes of establishing ongoing income eligibility for services under the act. The bill would require income eligibility and ongoing income eligibility calculations to be adjusted for family size, as provided. The bill would require the Department of Finance to calculate the state median income for various family sizes for this purpose, as provided, and to update those calculations and provide them to the State Department of Education no later than May 1 of each fiscal year.

Income eligibility- Section 8263.1 of the Education Code is amended to read:
(a) For purposes of establishing initial income eligibility for services under this chapter, "income eligible" means that a family's adjusted monthly income is at or below 70 percent of the state median income, adjusted for family size, ~~and adjusted annually.~~ as specified in subdivision (c).
(b) ~~Notwithstanding any other law, for the 2011–12 fiscal year, the~~ For purposes of establishing ongoing income eligibility ~~limits~~ under this chapter, "ongoing income eligible" means that ~~were in effect for the 2007–08 fiscal year shall be reduced to 70~~ a family's adjusted monthly income is at or below 85 percent of the state median ~~income that was in use for the 2007–08 fiscal year,~~ income, adjusted for family size, ~~effective July 1, 2011.~~ as specified in subdivision (c).
(c) ~~Notwithstanding any other law,~~ The Department of Finance shall calculate the state median income for family sizes of one to four, inclusive, by using the ~~2012–13, 2013–14, 2014–15, 2015–16,~~ most recent census data available on state median family income in the past 12 months by family size. The Department of Finance shall calculate the state median income for family sizes of five and ~~2016–17 fiscal years,~~ above by using the ~~income eligibility limits~~ most recent census data for a family of four and multiplying this number by the ratios for the appropriate family size used in the federal Low-Income Home Energy Assistance Program (42 U.S.C. Sec. 8621 et seq.) and specified in federal regulations at paragraphs (5), (6), and (7) of subdivision (b) of Section 96.85 of Title 45 of the Code of Federal Regulations. The Department of Finance shall ~~be 70 percent~~ update its calculations of the state median income ~~that was~~ for families according to the methodology provided in ~~use for~~ this subdivision and provide the ~~2007–08 fiscal year, adjusted for family size.~~ updated data to the department no later than May 1 of each fiscal year.

The bill (SB 83) would, except as provided, prohibit a payment made by a child development program for a child, during the period between a family's most recent eligibility certification or recertification and its next eligibility recertification, from being considered an error or an improper payment due to a change in the family's circumstances during that same period.

Regional Market Rate Ceilings

Existing law requires the cost of child care services provided to recipients of the California Work Opportunity and Responsibility to Kids (CalWORKs) program under specified law to be governed by regional market rates. Existing law requires the regional market rate ceilings to be established at the greater of 2 figures from January 1, 2017, until June 30, 2018, and at the 75th percentile of the 2014 regional market rate survey for that region commencing July 1, 2018.This bill would instead require, commencing January 1, 2017, and until December 31, 2017, the regional market rate ceilings to be established at the greater of those 2 figures.

The bill (SB 83) would require, commencing January 1, 2018, and until December 31, 2018, the regional market rate ceilings to be established at the 75th percentile of the 2016 regional market rate survey for that region or at the regional market rate ceiling that existed in that region on December 31, 2017, whichever is greater. The bill would require, commencing January 1, 2019, the regional market rate ceilings to be established at the 75th percentile of the 2016 regional market rate survey for that region.

Regional Market Rates - Section 8357 of the Education Code is amended to read:
(a) The cost of child care services provided under this article shall be governed by regional market rates. Recipients of child care services provided pursuant to this article shall be allowed to choose the child care services of licensed child care providers or child care providers who are, by law, not required to be licensed, and the cost of that child care shall be reimbursed by counties or agencies that contract with the department if the cost is within the regional market rate. For purposes of this section, "regional market rate" means care costing no more than 1.5 market standard deviations above the mean cost of care for that region. It is the intent of the Legislature to reimburse child care providers at the 85th percentile of the most recent regional market rate survey. It is also the intent of the Legislature to update the regional market rate ceilings with each new regional market rate survey, based on available funding, and to further increase the regional market rate ceilings through the 2018–19 fiscal year to reflect increased costs to providers resulting from increases in the state minimum wage.

(b) ~~Until~~ Commencing January 1, 2017, and until December 31, ~~2016,~~ 2017, the regional market rate ceilings shall be established at ~~104.5 percent of~~ the greater of either of the following:
(1) The ~~85th~~ 75th percentile of the ~~2009~~ 2014 regional market rate survey for that ~~region, reduced by 10.11 percent.~~ region.
(2) The ~~85th percentile of the 2005~~ regional market rate ~~survey~~ ceiling for that ~~region.~~ region as it existed on December 31, 2016.
(c) Commencing January 1, ~~2017,~~ 2018, and until ~~June 30,~~ December 31, 2018, the regional market rate ceilings shall be established at the greater of either of the following:
(1) The 75th percentile of the ~~2014~~ 2016 regional market rate survey for that region.
(2) The regional market rate ceiling ~~for~~ that ~~region as it existed~~ existed in that region on December 31, ~~2016.~~ 2017.
(d) Commencing ~~July~~ January 1, ~~2018,~~ 2019, the regional market rate ceilings shall be established at the 75th percentile of the ~~2014~~ 2016 regional market rate survey for that region.
(e) ~~Until December 31, 2016, reimbursement to license-exempt child care providers shall not exceed 65 percent of the family child care home rate established pursuant to subdivisions (a) and (b).~~ Commencing January 1, 2017, reimbursement to license-exempt child care providers shall not exceed 70 percent of the family child care home rate established pursuant to subdivisions ~~(c)~~ (b) and ~~(d).~~ (c).

Standard Reimbursement Rate Ceilings

The Child Care and Development Services Act requires the Superintendent of Public Instruction to implement a plan that establishes reasonable standards and assigned reimbursement rates for child care services, as provided. Existing law provides that the standard reimbursement rate for a 250-day year is $9,572.50 per unit of average daily enrollment, and the full-day state preschool reimbursement rate for a 250-day year is $9,632.50 per unit of average daily enrollment. Existing law makes those rates effective only until December 31, 2016, and, commencing January 1, 2017, increases those rates to $10,529.75 and $10,595.75, respectively.

This bill (SB 83) would, commencing July 1, 2017, make the standard reimbursement rate $11,360.00 and would make the full-day state preschool reimbursement rate $11,432.50. The bill would, commencing with the 2018–19 fiscal year, require these reimbursement rates to be increased by a specified cost-of-living adjustment.

Standard Reimbursement Rate - Section 8265 of the Education Code is amended to read:
(b) ~~Until December 31, 2016, the standard reimbursement rate shall be nine thousand five hundred seventy-two dollars and fifty cents ($9,572.50) per unit of average daily enrollment for a 250-day year.~~ Commencing ~~January~~ July 1, 2017, the standard reimbursement rate shall be ~~ten~~ eleven thousand ~~five~~ three hundred ~~twenty-nine~~ sixty dollars ~~and seventy-five cents ($10,529.75)~~ ($11,360) and, commencing with the ~~2017–18~~ 2018–19 fiscal year, shall be increased by the cost-of-living adjustment granted by the Legislature annually pursuant to Section 42238.15. ~~Until December 31, 2016, the full-day state preschool reimbursement rate shall be nine thousand six hundred thirty-two dollars and fifty cents ($9,632.50) per unit of average daily enrollment for a 250-day year.~~ Commencing ~~January~~ July 1, 2017, the full-day state preschool reimbursement rate shall be ~~ten~~ eleven thousand ~~five~~ four hundred ~~ninety-five~~ thirty-two dollars and ~~seventy-five~~ fifty cents ~~($10,595.75)~~ ($11,432.50) and, commencing with the ~~2017–18~~ 2018–19 fiscal year, shall be increased by the cost-of-living adjustment granted by the Legislature annually pursuant to Section 42238.15. It is the intent of the Legislature to further increase the standard reimbursement rate through the 2018–19 fiscal year to reflect increased costs to providers resulting from increases in the state minimum wage.

Family Fee - Section 8273.1 of the Education Code is amended to read:

~~(a)Families receiving services pursuant to subparagraph (B) of paragraph (1) of subdivision (b) of Section 8263 may be exempt from family fees for up to three months.~~
(b)
(a) ~~Families receiving~~ A family that receives services pursuant to ~~subparagraph (C) of~~ paragraph (1) of subdivision (b) of Section 8263 may be exempt from family fees for up to 12 months.
~~(c)The cumulative period of time of exemption from family fees for families receiving services pursuant to paragraph (1) of subdivision (b) of Section 8263 shall not exceed 12 months.~~
(d)
(b) Notwithstanding any other law, a family receiving CalWORKs cash aid shall not be charged a family fee.

Homeless youth
Section 2576 Education Code amended to align the state's definition of homelessness with the federal McKinney-Vento Act for purposes of child care eligibility. Many providers receive both federal and state funds and different definitions of homelessness can be confusing. See definition below:
According to section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), the term "homeless children and youths"—
(A) means individuals who lack a fixed, regular, and adequate nighttime residence...; and
(B) includes—
(i) children and youths who are sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason; are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative

accommodations; are living in emergency or transitional shelters; are abandoned in hospitals; or are awaiting foster care placement;
(ii) children and youths who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings;
(iii) children and youths who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings; and
(iv) migratory children who qualify as homeless for the purposes of this subtitle because the children are living in circumstances described in clauses (i) through (iii).
Children and youth are considered homeless if they fit both part A and any one of the subparts of part B of the definition above.

Digital signatures - Sections 8227.6 & 8262.2 are added to the Education Code:
Alternative payment programs and providers operating or providing services pursuant to this article may use digital forms to allow families to apply for services, if those forms comply with state and federal standards.

Children with exceptional needs - Section 8235 of the Education Code is amended to read:
(d) Notwithstanding any other law, after all otherwise eligible children have been enrolled, a part-day California state preschool program may provide services to three- and four-year-old children in families whose income is above the income eligibility threshold if those children have been identified as "children with exceptional needs" pursuant to subdivision (l) of Section 8208. Children receiving services pursuant to this subdivision shall not count towards the 10-percent limit of children from families above the income eligibility threshold as specified in subdivision (c).

Foster Child Care Bridge Funding (SB 89) -
Existing law defines "care and supervision" for purposes of AFDC-FC to include, among others, food, clothing, shelter, and daily supervision.
This bill would, commencing January 1, 2018, establish the Emergency Child Care Bridge Program for Foster Children (bridge program). The bill would authorize county welfare departments to administer the bridge program and distribute vouchers, or payment, for child care services for an eligible child who is placed with an approved resource family, a licensed or certified foster family, or an approved relative or nonrelative extended family member, or who is the child of a young parent involved in the child welfare system. The bill would require, for counties that choose to participate, that county welfare departments determine eligibility for the bridge program and provide monthly payment either directly to the family or to the child care provider or provide a monthly voucher for child care, in an amount that is commensurate with the regional market rate, for up to 6 months following the child's initial placement, unless the child and family are able to access long-term, subsidized child care prior to the end of the 6-month period. The bill would allow eligibility for a child care payment or voucher to be extended for 6 months, at the discretion of the county welfare department, if the child and family have been unable to access long-term, subsidized child care during the initial 6-month period. The bill would require that each child receiving a monthly child care payment or voucher be provided with a child care navigator, as specified, and would authorize the county to establish local priorities in the implementation of the bridge program.

Child Care Navigator Language
Existing law establishes the California Child Care Initiative Project for certain purposes, including increasing the availability of qualified child care programs in the state and establishing child care resource and referral programs to serve a defined geographic area.

This bill would require each child care resource and referral program to provide a child care navigator to support children in foster care, children previously in foster care upon return to their home of origin, and children of parents involved in the child welfare system. The bill would also require the child care resource and referral program to provide trauma-informed training and coaching to child care providers working with children, and children of parenting youth, in the foster care system.

June 11, 2017 - The approved actions from the Conference Committee are now incorporated into AB 97, the 2017 Budget Bill, (Conference Report 1), as amended June 10, 2017. Our issues begin on page 523. In order to make the June 15 Constitutional deadline to pass a budget to the governor, AB 97 will be taken up this week.
June 8, Conference Committee completed their work.

- 2017 K-12 and Higher Education Conference Committee Agenda on AB 97
    - Child care and preschool slots; licensing changes held open - Action list. Item list.
    - LAO Overview Action List of Child Care and Preschool Conference Issues
- 2017 Health and Human Services Conference Committee on AB 97
    - Child care foster care bridge proposal - Action list (held open) Action list Item 34.

Budget Bill Information

- AB 97 - Budget Act of 2017-18
- Click here to see Trailer Bill Language documents

- SB 83 - Education Omnibus Trailer Bill
- Delay Licensing Requirements for Private Alternative Boarding Schools & Outdoor Programs

May 30th Legislative Analyst's Office Overview presented to Budget Conference Committee

Upcoming Budget Hearings (To listen go to www.calchannel.com)

BUDGET UPDATE:

Overall, *both* the Assembly and Senate budget committees that take action on child care and early education not only recognized the governor honoring his promise in the May Revise, but also went above and beyond to provide funding to update eligibility to 70 percent of most recent SMI with an incoming out at 85 percent, as well as funding for 12-month eligibility.

However, the Assembly went further and allocated funding for an additional $30 million General Fund to support additional APP (1,590) and general child care (1,120) slots (2,710 total) and language to be developed that would have full-day slots that are allocated to LEAs to also be available to non LEAs.

For more detailed child care and early education budget details, please see the following:

Click **HERE** to access the ASM May 23rd agenda.

Click **HERE** to view actions taken.

Click **HERE** to access the SEN May 23 agenda.

Click **HERE** to view actions taken.

Click here to read May Revise Summary.

- **Joint CAPPA, the Network and CCDAA Priority Letter**
- **May 25 Assembly 2017-18 Budget Subcommittee Report**
- **Women's Caucus prioritizes child care AGAIN and requests more funding**
- May 23 Assembly Budget Subcommittee 2 on Education Finance - Topic: Proposition 98 and Early Education close-out hearing, and other open issues. **Click here for May 23 Agenda** **Click here to view actions taken.**
- May 23 - Senate Budget Committee - **Child Care Included in Agenda**
- SEN B & F.R. Subcommittee 1 on Education vote only actions taken on Wednesday May 17. click here to see VOTE ONLY ISSUES.
- **Assembly Budget Committee Highlights of the 2017-18 May Revise**
  - **2016 Regional Market Rate Survey**
- **LAO's Analysis of the May Revision- Education Proposals**
- **LAO Initial Remarks on the Governor's May Revise.** If you have questions, please contact **virginia.early@lao.ca.gov**

- California Budget & Policy Center:
  - **Child Care and Development Programs in California: Key Context and Current Issues**
- **Legislative Women's Caucus Response to the Governor's May Revise**
- **Parent Voices Response to the Governor's May Revise**
- **Click here to listen to Governor Brown's release of the May Revise**
- **DOF Comparison of 2016-17 Budget Act vs. 2017-18 January Proposal vs. 2017-18 May Revise Proposal**
- **DOF One Pager**

The May Revision proposed fully restoring the promise – NO PAUSE!!

Significant Adjustments:

- Standard Reimbursement Rates – An increase of $67.6 million General Fund to increase the reimbursement rate to reflect the full 10 percent increased made at the 2016 Budget Act. An additional increase of $92.7 million General Fund to provide a six-percent increase to the reimbursement rate for State Preschools and other direct-contract child care and development providers beginning July 1, 2017
  - Full day non LEA preschool $42.12 per day/$10,530 per year
  - Part-day State Preschool - $26.31 per day/$4,4604.25 per year
  - Full-day State Preschool - $42.38 per day/$10,596 per year
- Regional Market Rate (RMR) – An increase of $42.2 million General Fund (GF) to increase the maximum reimbursement ceiling for voucher –based child care providers to the 75th percentile of the 2016 survey beginning January 1, 2018. **Click here for the 2016 Market Rate Survey**

    - NOTE: Included in the May Revise was a 12 month hold harmless for those provider rates that did not increase going to the 2016 Market Survey. It must also be a priority as rates increase that NO PROVIDER WILL BE HARMED. We must remove the sunset date so that no provider rates will be decreased.
- Full-Day State Preschool – An increase of $7.9 million Proposition 98 for an additional 2,959 slots
- CalWORKs Stage 2 – A decrease of $18.1 million non-Proposition 98 GF in 2017-18 to reflect estimates for CalWORKs Stage 2 caseload and the cost per case
- CalWORKs Stage 3 – A decrease of $12.8 million non-Proposition 98 GF in 2017-18 to reflect estimates for CalWORKs Stage 3 caseload and cost per case
- CalWORKs – a decrease of $34.1 million GF in 2016-17 and $37.3 million GF in 2017-18 to reflect updated caseload average cost per case projections

Governor's Proposed 2017-18 State Budget - Below are links to information from the Administration, budget committees, and others related to the 2017-18 Proposed Budget.

- April 25, 2017 - ASM Budget Subcommittee 2 on Education- After School Programs. **Click here for agenda.**
- April 20, 2017 - SEN Budget Subcommittee 3 on Health and Human Services - CalWORKs. **Click here for agenda.**
- April 19, 2017 - ASM Budget Subcommittee 1 on Health and Human Services - CalFRESH. **Click here for agenda.**
- April 6, 2017 - SEN Budget Subcommittee 1 & 3 Joint Hearing - CalWORKs and child care. **Click here for agenda.**
    - LAO Handouts Presented: *** Child Care and Preschool: Governor's Policy Proposals;**
      *** Child Care and Preschool: Overview of Programs and Budget Proposals;**
      *** Programs to Improve Quality of Child Care and Preschool**
- April 4, 2017 **- LEGISLATIVE WOMEN'S CAUCUS HAIL'S PRIORITY BILLS FOR A STRONGER CALIFORNIA: Implore Governor to Keep Promises to Women and Families**
- April 4, 2017 - **Legislative Women's Caucus Priority Letter to the Governor.**
- April 4, 2017 - **CA Latino Caucus including AB 60 to increase the SMI and 12 month eligibility as part of their 2017 priorities**
- **April 4, 2017 -** ASM Budget Sub 2 on Education: Early Childhood Education. **Click here for agenda.**
    - **Click here to see the action taken.**
- **March 16, 2017 Analysis of Child Care and Preschool Proposals**
- **February 9, 2017: The 2017-18 Budget: Proposition 98 Education Analysis from the LAO**
- **Click here to read 2017-18 Governor's Budget OMNIBUS EDUCATION TRAILER BILL**
- **February 2, 2017 - Assembly Budget Committee: Overview of the Governor's 2017-18 Budget Proposal**
- **Senate Budget and Fiscal Review Hearing on the Overview of the Governor's Proposed 2017-18 Budget**
- **Click here** to access the Governor's Proposed 2017-18 Budget Summary.
- **Click here** to access the 2017-18 Proposed Budget Summary Details
- **Click here** to watch Governor Edmund G. Brown Jr. introduce the 2017-18 Proposed State Budget
- **Click here** to access the LAO Overview of The 2017-18 Budget: Overview of the Governor's Budget
- **Click here** to access the Department of Finance (DOF) grid on Child Development Programs, 2017-18 Budget Act
- **Click here** to access the Department of Finance (DOF) grid on California Child Care Programs Local Assistance- ALL FUNDS- 2017-18 Governor's Budget
- **Click here** to access the Assembly Budget Committee's Highlights of Governor's Proposed 2017-18 Budget.
- **Click here** to access the Senate Budget and Fiscal Review's Summary of the Governor's Proposed 2017-18 Budget.
- **Click here** to access the Legislative Women's Caucus's Response to the Proposed 2017-18 Budget
- **Click here** to read Speaker Rendon's Response to the budget

In the links above, the two from the Department of Finance (DOF) provide more details.

- RMR rates are based on funding for a full year; those rates that went into effect January 1, 2017 will be for a full year moving forward.
    - RMR – 75th percentile of the 2014 survey, held harmless through June 30, 2018, with a license-exempt rate of 70 percent of the family child care home rate

    - New provider rates enacted on January 1, 2017 included an 18-month hold harmless provision for providers whose rates did not go up. When the 18-month hold harmless provision goes away, in all counties some provider rates will freefall to below 2005 rates.
- SRR rates will be funded at five percent, half of what was promised
    - Full-day non LEA Preschool – $40.20/$10,051 (Promised: $42.12/$10,530)
    - Part-day State Preschool – $25.06/$4,385.50 (Promised: $26.31/$4,4604.25)
    - Full-day State Preschool – $40.46/$10,115 (Promised: $42.38/$10,596)
- The 2,959 full-day/full-year State Preschool slots annualized starting April 1, 2017
    - The promise had included three years of funding 2,959 full-day/full-year State Preschool slots for a total of 8,877 (2,959 x 3 years = 8,877)
- Reduction in growth from 0-4 population captured
- Alternative Payment Program funding is up; allocated slots down down. According to DOF cost of care is based on that captured in Stage 3.
- Stage 1 child care funding is down; caseload is down
- Stage 2 funding is up; caseload up
- Stage 3 funding is up; caseload is down
- Substantial reduction in federal funding for Early Head Start Partnership Grant
- Reduction in federal funding for 21st Century before and after school and summer for K-12
- Trustline funding down
- Reduction in one-time carry over quality carryover
- Authorize the use of electronic applications for child care subsidies, making it less burdensome for eligible families to access care and more efficient for providers to process applications.
- Allow children with exceptional needs whose families exceed income eligibility guidelines access to part-day state preschool if all other eligible children have been served. This allows part-day state preschool providers the flexibility to fill unused slots with other students who would benefit from early intervention or education.
- Align the state's definition of homelessness with the federal McKinney-Vento Act for purposes of child care eligibility. Many providers receive both federal and state funds and different definitions of homelessness can be confusing. See definition below:

According to section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), the term "homeless children and youths"—

(A) means individuals who lack a fixed, regular, and adequate nighttime residence...; and

(B) includes—

(i) children and youths who are sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason; are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative accommodations; are living in emergency or transitional shelters; are abandoned in hospitals; or are awaiting foster care placement;

(ii) children and youths who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings;

(iii) children and youths who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings; and

(iv) migratory children who qualify as homeless for the purposes of this subtitle because the children are living in circumstances described in clauses (i) through (iii).

Children and youth are considered homeless if they fit both part A and any one of the subparts of part B of the definition above.

- Eliminate licensing requirements for state preschool programs utilizing facilities that meet transitional kindergarten facility standards, specifically K-12 public school buildings.

2017-18 Resource Materials

California Budget Process Flow Chart

California Budget Process

Budget Process Overview

Below are two presentations provided at a CAPPA informational meeting in Sacramento on 1/17/2017

    - **PowerPoint presentation from Department of Finance**
    - **PowerPoint presentation from California Budget and Policy Center**
- A Conversation on Trending Issues: Minimum wage increase and it's impact on the child care and early learning field, the Women's Caucus' proposal to once again prioritize Child Care and Child Care Bridge Program for Foster Children.
    - **PowerPoint presentation on Child Care Bridge Program for Foster Children**
- A Conversation on California's Economic and Political Future and what to expect from Governor Brown for the next two years.

It is important that we as a field, are united and strong in our "asks". To that end, below are two considerations that we hope to see in all advocacy platforms that are put forth:

- All provider types and programs must be lifted together; not one part of the child care and early learning system at the expense of another.
- The mixed delivery system of public and private child care and early learning programs are jointly funded to ensure that absolutely all slots are filled and not one dollar is sent back to Sacramento at the end of the fiscal year.

The 2017-18 Budget: California's Fiscal Outlook

On November 16, 2016, The Legislative Analyst's Office released its annual Fiscal Outlook report. The report describes the office's assessment of the state's economy and budget over the 2016-17 through 2020-21 period. The report discusses child care and some topics of interest include:

- Overview of State Subsidized Child Care
- Assumptions Underlying Child Care Forecast
- Child Care Cost Projected to Increase Notably in 2017-18
- Out- Year Child Care Costs
- California in Midst of Responding to New Federal Requirements

Click here to read the full report.

NOTE: As all are aware, on January 1, 2017 updated Regional Market Rates updated to the 75th percentile of the 2014 survey are set to go into effect for most providers. However, in every county there were many provider rates that were covered under an 18-month "hold harmless" provision. What this provision means, is that no provider will go down in rates. The hold harmless provision is in effect for 18 months.

At the end of the 18-month hold harmless time frame, in every county there will be provider rates that go down. During the release of the LAO fiscal outlook, CAPPA asked the question, "What is the amount of the hold harmless language?" Response. "$32 million."

So what does that mean? It means that effective July 1, 2018, $32 million in provider rates from those providers that fall under the hold harmless provision, will have their rates dropped.

*The CAPPA board has made this a top priority to eliminate this hold harmless language in perpetuity. If you want to know more about this issue, contact **CAPPA.***