

- **Department of Education State Operations**—A total increase of \$436,000 non-Proposition 98 General Fund for the following:
  - \$336,000 ongoing non-Proposition 98 General Fund for the School Fiscal Services Division for workload associated with deferrals and average daily attendance changes.
  - \$100,000 one-time non-Proposition 98 General Fund for the Department of Education to develop a template for the Learning Continuity and Attendance Plan in consultation with the executive director of the State Board of Education.

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## EARLY LEARNING AND CARE PROGRAMS

Investing in early learning and care supports the success of children and families of color, the majority of people served by these programs. The Budget preserves funding for early learning and care programs to the greatest extent possible, given the constraints of the COVID-19 Recession. Access, reimbursement rate levels, and quality investments are all maintained or grown, with a specific focus on serving the children of income-eligible workers essential to the fight against COVID-19.

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## PROTECTING ESSENTIAL SERVICES

To support access for families and provide stable funding for early learning and care programs and providers, the Budget:

- Maintains early learning and care provider reimbursement rates at 2019-20 levels.
- Eliminates the application of negative statutory growth adjustments for early learning and care programs.
- Provides a hold harmless provision in 2020-21 for providers that contract directly with the Department of Education.
- In 2020-21, provides reimbursement at a child's maximum certified level of need for all providers accepting vouchers.

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## CARES ACT FUNDING FOR CHILD CARE

California received \$350.3 million through the federal CARES Act for COVID-19 related child care activities. To maximize the benefits of these funds to providers and families, the Budget includes the following expenditure plan:

- \$144.3 million for state costs associated with SB 89 expenditures, family fee waivers, and provider payment protection.
- \$125 million for voucher provider hold harmless and stipends.
  - Up to \$62.5 million to fund providers accepting vouchers at the maximum certified level of need.
  - At least \$62.5 million for one-time stipends for providers accepting vouchers that offer care during the COVID-19 pandemic.
- \$73 million to continue care for at-risk children and essential workers.
- \$8 million to extend family fee waivers until June 30, 2020.

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## FUTURE FEDERAL COVID-19 FUNDS FOR CHILD CARE

To allow for the quick deployment of potential future federal COVID-19 funds for child care, the Budget includes language allowing up to \$300 million of such funds to be allocated by the following schedule:

- \$150 million to extend access for families being served through limited-term subsidies and expand access for unserved, eligible families.
- \$125 million to provide limited-term stipends for state-subsidized child care providers offering care during the COVID-19 pandemic.
- \$25 million to assist licensed child care providers with costs to re-open child care facilities closed due to the COVID-19 pandemic, and to supplement unfunded costs caused by low attendance or temporary closures due to the COVID-19 pandemic.

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## SHIFT OF CHILD CARE PROGRAMS TO THE DEPARTMENT OF SOCIAL SERVICES

To promote a high-quality, affordable, and unified early childhood system, the Budget includes \$2.3 million General Fund in 2020-21 to transition the existing child care and child development programs from the Department of Education to the Department of

Social Services. This will align all child care programs within a single department in state government and will ease the administration of collective bargaining commencing later this year.

**Other Significant Adjustments**

- \$9.3 million one-time federal funds to develop and implement an early learning and care data system.
- A decrease in new federal Child Care and Development Block Grant funding available for child care vouchers of \$6 million, bringing the total allocation for increased access in the Alternative Payment Program from \$53.3 million to \$47.2 million. Additionally, the Budget specifies that first priority for these funds will be to extend subsidized care for income-eligible essential worker families and at-risk children from a limited-term to an ongoing basis.