

SUBCOMMITTEE NO. 3

Agenda

Senator Susan Talamantes Eggman, Ph.D, Chair
Senator Melissa Melendez
Senator Richard Pan, M.D.



Wednesday, May 26, 2021
1:30 p.m. State Capitol - Room Senate Chamber

Consultants: Elisa Wynne

AGENDA Part C

Vote Only

<u>Item</u>	<u>Department</u>	<u>Page</u>
5180 Issues 1-27	Department of Social Services Various Child Care Items	2

Public Comment

Pursuant to the Americans with Disabilities Act, individuals who, because of a disability, need special assistance to attend or participate in a Senate Committee hearing, or in connection with other Senate services, may request assistance at the Senate Rules Committee, 1020 N Street, Suite 255 or by calling (916) 651-1505. Requests should be made one week in advance whenever possible.

**CALIFORNIA DEPARTMENT OF SOCIAL SERVICES
VOTE ONLY**

Item	Subject	Description	Staff Recommendation	Language
Child Care and Early Education Local Assistance				
1	Child Care CalWORKs Caseload Funding 5180-101-0001 5180-104-0001 (Governor's Budget and May Revision)	The May Revision augments Governor's Budget to reflect changes in the CalWORKs child care caseload and cost of care for a net decrease of \$327 million, reflecting a total \$120 million decrease in Stage 1, a \$211 million decrease in Stage 2, and a \$4 million increase in Stage 3.	Approve as proposed.	BBL
2	Non- CalWORKs Child Care Cost of Living Adjustment 5180-101-0001 5180-104-0001 (Governor's Budget and May Revision)	The May Revision increases the Governor's budget \$19.4 million for a 1.5 percent COLA adjustment for non-CalWORKs child care, to 1.7 percent.	Approve amended proposal to increase the COLA for non-CalWORKS child care, to 4.05 percent.	BBL
3	Child Care Slots - Federal Funds (May Revision)	The May Revision provides \$403,000,000 federal stimulus funds to expand Alternate Payment Program and General Child Care program access, \$292,500,000 for Alternate Payment Programs, and \$110,500,000 for General Child Care.	Approve as proposed.	BBL/TBL

**CALIFORNIA DEPARTMENT OF SOCIAL SERVICES
VOTE ONLY**

Item	Subject	Description	Staff Recommendation	Language
Child Care and Early Education Local Assistance				
4	Child Care Slots - General Fund (May Revision)	The May Revision provides \$223,565,000 ongoing General Fund to expand CAPP, Migrant Care, and General Child Care program access, \$151,650,000 for Alternate Payment Program, \$14,625,000 for Migrant, and \$57,290,000 for General Child Care. In combination with federal funds, the May Revision includes 100,000 additional childcare slots.	Approve as proposed.	BBL
5	Child Care Slots - Proposition 64 (Governor's Budget and May Revision)	The Governor's Budget includes an increase of \$21.5 million ongoing in 2020-21 and an additional \$44 million ongoing for 4,700 additional Alternate Payment Program slots due to updated Proposition 64 cannabis tax revenues. The May Revision includes an additional increase of \$40.3 million ongoing in 2021-22 for Alternate Payment Program, General Child Care and foster bridge. The May Revision also includes \$7.9 one-time Proposition 64 carryover and backfill for Alternate Payment Program Slots.	Approve as proposed.	BBL
6	COVID-19 Related Support (Governor's Budget)	The Governor's Budget includes \$55 million one-time General Fund to support child care providers' and families' needs as a result of the pandemic. The Administration has indicated that these funds have been re-directed as part of the May Revision for ongoing child care slots.	Reject proposal to conform to the May Revision redirection of these funds for child care slots.	BBL
7	Child Care - Federal Relief (May Revision)	The May Revision shifts \$3.7 billion in one-time federal stimulus funds from CDE to DSS.	Approve as proposed.	BBL

**CALIFORNIA DEPARTMENT OF SOCIAL SERVICES
VOTE ONLY**

Item	Subject	Description	Staff Recommendation	Language
Child Care and Early Education Local Assistance				
8	Child and Adult Care Food Program (Legislative Proposal)	Provide \$16 million on-going General Fund for the Child and Adult Care Food Program to restore state reimbursement to non-LEA providers who participate in federal meal programs. Provide \$33 million in one-time federal ARPA funds to child care providers for pandemic-related nutrition costs.	Adopt proposal as described.	BBL/TBL
9	Child and Adult Care Food Program Growth and COLA (Governor's Budget and May Revision)	The May Revision (including Governor's Budget) includes a growth adjustment decrease of \$188,000 and a Cost of Living Adjustment (COLA) increase of \$36,000 to reflect a 1.7 percent COLA.	Approve as proposed.	BBL
10	Child Care and Development Program Support 5180-001-001 (Governor's Budget)	The Governor's Budget shifts \$31,700,000 in funding and 185.7 positions from CDE to DSS to support the transition of child care programs to DSS. The May Revise includes an additional 67 positions and \$8,715,000 in ongoing General Fund support for the transfer of child care programs to the Department of Social Services.	Adopt amended proposal to 1) Reduce total funding by \$555,000 and reduce positions by 5 AGPA positions for the Health and Safety Security Team, and 2) include provisional language to require report to the JLBC by December 2021 on ongoing staff workload needs, and workload analysis by program goal.	BBL

**CALIFORNIA DEPARTMENT OF SOCIAL SERVICES
VOTE ONLY**

Item	Subject	Description	Staff Recommendation	Language
Child Care and Early Education Local Assistance				
11	Child Care and Development Support - Whole Child Integration and Data Development Support 5180-001-001 (April Letter)	The May Revision requests 9 positions and \$1,686,000 ongoing to establish a Whole Child Integration program.	Approve as proposed.	BBL
12	Child Care and Development Support - Administration 5180-001-0890 (May Revision)	The May Revision requests 3 positions and \$497,000 ongoing federal funds to support additional administrative and legal infrastructure at DSS.	Approve as proposed.	BBL
13	Child Care Direct Deposit Payments 5180-001-0001 (May Revision)	The May Revision increases this item by \$6 million to modernize payment options and support the implementation of direct deposit electronic fund transfers and payments for child care and early childhood development providers.	Reject this proposal to conform to related action in subcommittee #4 to increase State Controller operating budget for these purposes for all DSS and CDE child care programs.	

**CALIFORNIA DEPARTMENT OF SOCIAL SERVICES
VOTE ONLY**

Item	Subject	Description	Staff Recommendation	Language
Child Care and Early Education Local Assistance				
14	Child Care Data Landscape 5180-001-0001 (May Revision)	The May Revision increases this item by \$4,874,000 and adds provisional language to support resources for the planning and initial implementation of a child care data system. This data system aligns with the Master Plan for Early Learning and Care and would strengthen the administrative processes used for data collection of child care programs (see Attachment 1).	Approve amended BBL to require the establishment of a unique individual identifier across CDE and DSS-funded programs, as a system outcome, that is compatible with the Cradle to Career system, and to fund with \$4,874,000 one-time CCDBG quality funds.	
15	Child and Adult Care Food Program Shift 5180-104-0001 (May Revision)	The May Revision proposes to shift \$2.1 million in Proposition 98 funding for the Child and Adult Care Food Program from CDE to DSS as part of the child care program transition.	Approved as proposed.	BBL
16	Quality Improvement - Stakeholder Process (May Revision)	The May Revision includes \$20 million for a multi-year effort to strengthen existing quality improvement supports and systems. CDSS will engage with stakeholders to inform policy-setting and program design with a focus on addressing inequities. Quality projects funded by the federal Child Care and Development Fund (CCDF) will transfer to CDSS as part of the child care and development transition without any immediate changes.	Reject without prejudice.	TBL

**CALIFORNIA DEPARTMENT OF SOCIAL SERVICES
VOTE ONLY**

Item	Subject	Description	Staff Recommendation	Language
Child Care and Early Education Local Assistance				
17	Child Care Lift and Shift Authority 5180-101-0001, 5180-101-0890 , Numerous Education Codes, Welfare & Institutions Codes. (May Revision)	The May Revision adds provisions to these items and additional statutory changes to conform to the child care program transition.	Approve with amendments to conform to the Legislative child care package, including rate changes. Approve placeholder trailer bill language for authority shift between DSS and CDE.	BBL/TBL
18	Additional Child Care Slots (Legislative Proposal)	Provide \$801 million in 2021-22, and \$1.358 billion ongoing General Funds for approximately 100,000 additional Alternative Payment, General child Care and funded at the 85th percentile of the 2018 RMR. Priority for AP is to make essential worker vouchers permanent.	Approve as described with placeholder trailer bill language.	BBL/TBL
19	Child Care Rate Reform (Legislative Proposal)	Provide \$525 million in 2021-22, \$1.061 billion ongoing General Fund to implement the first step in reimbursement rate reform (move all providers to the 85th percentile of the 2018 RMR survey, beginning January 1, 2022 as a interim base rate)	Approve as described with placeholder trailer bill language.	BBL/TBL
20	Child Care Infrastructure Package (May Revision)	The May Revision includes \$250 million one-time federal American Rescue Plan Act of 2021 (ARPA) funds to provide infrastructure grants for the acquisition, construction, development, and renovation of child care facilities focusing on desert areas to be spent through September 30, 2024.	Approve amended proposal to provide \$250 million in one-time General Fund to the Early Learning and Care Infrastructure Block Grant, to be administered through DSS and amend statute to include re-opening costs as described with placeholder trailer bill language. ARPA funds may not be allowable for this use.	TBL

**CALIFORNIA DEPARTMENT OF SOCIAL SERVICES
VOTE ONLY**

Item	Subject	Description	Staff Recommendation	Language
Child Care and Early Education Local Assistance				
21	Child Care Workforce Package (Legislative Proposal)	Provide \$250 million one-time federal ARPA funding to the Early Learning and Care Workforce Development Block Grant, to be administered through DSS and amend statute to expand apprenticeship options.	Approve as described with placeholder trailer bill language.	TBL
22	"BUILD back" childcare initiative (Legislative Proposal)	Provide \$205 million in one-time ARPA funds for a state-wide intermediary initiative to expand licensed child care capacity in high-need communities, up to \$5m allowable for administration costs for program.	Approve as described with placeholder trailer bill language.	TBL
23	Family Fees & Eligibility (Legislative Proposal)	In addition to the CCPU agreement, fund \$60 million in one-time ARPA funds to cover provider costs in lieu of family fees through 2023, pursuant to federal law. Amend current law to cap family fees at 7 percent, when not subject to waiver, and increase eligibility for all child care and preschool programs to 100 percent of State Median Income, to the extent allowable under federal law for federally funded programs.	Approve as described with placeholder trailer bill language.	TBL

**CALIFORNIA DEPARTMENT OF SOCIAL SERVICES
VOTE ONLY**

Item	Subject	Description	Staff Recommendation	Language
Child Care and Early Education Local Assistance				
24	Certify Child Care Providers United (CCPU) Agreement (May Revision)	The May Revision includes changes agreed to through a tentative agreement between Child Care Providers United and the Administration for pandemic relief, allocating the remaining : 1) \$205.5 million for stipends (\$600 per subsidized child) - for all systems 2) \$99.3 million for licensed providers (including closed providers who intend to re-open) and \$77 million for centers. 3) Adopt extension of 16 paid non operational days 4) Extension of Signature waiver for shelter in place families 5) Mental Health Supports 6) \$25 million for capacity building through Resource and Referral Networks Child Care Initiative Project. 7) \$60 million to waive family fees in FY 2021-22 8) \$70 million to continue the hold harmless policy to pay providers based on authorized hours in FY 2020-21	Ratify bargaining agreement as proposed, adopt placeholder trailer bill language.	TBL
25	MyChildCarePlan.org online child care referral portal (Legislative Proposal)	Allocate \$10 million in CCDBG quality set-aside funds to DSS for the annual administration costs of MyChildCarePlan.org through 2022-2023.	Approve as described.	BBL

**CALIFORNIA DEPARTMENT OF SOCIAL SERVICES
VOTE ONLY**

Item	Subject	Description	Staff Recommendation	Language
Child Care and Early Education Local Assistance				
26	Resource and Referral Agencies Rate Increase (May Revision)	The May Revision includes \$10 million ARPA funds to support continued Resource and Referral partnerships to strengthen their role serving as intermediaries to develop new child care facilities and capacity, and to streamline and improve data collection processes	Approve proposal with amendments to provide \$10 million in ongoing CCDBG funds to support a pandemic rate increase for all Resource and Referral agencies that also administer the California Alternative Payment Program beginning in 2022-23. Adopt placeholder trailer bill language.	BBL/TBL
27	Alameda Child Care Pilot (Legislative Proposal)	Remove the sunset date for the Alameda Child Care pilot and make the pilot project permanent.	Approve as described with placeholder trailer bill language.	TBL