

Federal & State ECE Policy Updates Bay Area Early Childhood Funders

May 18, 2023

Child Care Law Center

Federal & State Legislative Updates

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- Federal Budget & Policy
- State Budget
- What Can You Do?



President Biden's Executive Order

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Signed April 18, 2023

Limit, Save, Grow Act ([H.R. 2811](#))

Federal Bill To Raise Federal Debt Ceiling

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Child Care for Working Families Act

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- Guaranteed child care for most 0-5 year-olds
- Higher child care provider wages
- Promotes professional development
- Expands Universal Preschool through “mixed-delivery”
- Building an Affordable System for Early Education (BASE) grants



State Budget

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Early Action Budget Items AB 100 – AB 113



California State Budget

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- The \$224 billion spending plan protects many programs, mostly maintains state reserves (projected at \$37.2 billion) and rejects raising revenues.
- Projects \$31.5 billion shortfall.
- Proposes spending cuts, freezes, and delays.

May Revise

California Department of Social Services (CDSS)

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- CDSS Administers programs that support families, children, and adults with low incomes.
 - Major programs include CalWORKs, CalFresh, In-Home Supportive Services (IHSS), Supplemental Security Income/State Supplementary Payment (SSI/SSP), Child Welfare Services, Community Care Licensing, Disability Determination Services, and child care and nutrition.
 - \$48.1 billion (\$21.1 billion GF) for 2023-24



May Revise

CDSS - CalWORKs

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- Estimated average of 340,000 families on CalWORKs per month in 2023-24.
- TANF expenditures: \$8.6 billion (state, local, and federal funds) in 2023-24, including:
 - \$7.2 billion for CalWORKs
 - \$1.4 billion for other programs, such as Child Welfare Services, Foster Care, Department of Developmental Services programs, the Statewide Automated Welfare System, California Community Colleges Child Care and Education Services, Cal Grants, and the Department of Child Support Services.
- CalWORKs Grant increases of 3.6% increase to Maximum Aid Payment Levels starting October 1, 2023, (estimated cost of \$111.2 million)

May Revise

CDSS - Children's Programs

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- Child Welfare Services (family support and maltreatment prevention services, child protective services, foster care services, and adoptions): \$908.3 million General Fund in 2023-24.
- Total funding for children's programs is over \$9.5 billion in 2023-24
 - including federal, 1991, and 2011 realignment funds



May Revise

CDSS: Child Care & Development Programs

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- **\$6.6 billion (\$3 billion GF)**
 - \$5.8 billion excluding the Child & Adult Care Food Program
- The state is negotiating a new agreement with Child Care Providers United – California (CCPU). The current one expires June 30, 2023. The final agreement will be incorporated in the state final budget.
- Extend family fees suspension Jul. 1, 2023 - Sep. 30, 2023: \$29.4 million federal funds
- Temporary stipends for child care providers paid with subsidies: \$169.2 million in federal funds
 - COLA – 8.22% (up from 8.13% in the January Budget).
 - \$183.3 million GF for Child Care and Development Programs
 - \$840,000 for the Child and Adult Care Food Program
- Projected one-time savings of \$588 million in 2022-23 based on estimated General Child Care expenditures that will go into contract by the end of the fiscal year.

May Revise

California Department of Education (CDE)

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California State Preschool Program (CSPP)

- Extends family fees suspension Jul. 1, 2023 - Sep. 30, 2023: \$4.4 million GF and \$5.3 million Prop 98 GF from the 2022 Budget Act.
- Temporary stipends for CSPP employees: \$112 million (Federal Funds)
- Decrease of \$54.3 million GF because of revised estimates of the need to increase subsidy payment rates.
- 8.22% COLA increases
- Cost of this COLA decreased due to lower number of contractors that opt in (by \$52 million in Prop. 98 and \$28 million GF)

May Revise

California Department of Education (CDE)

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Transitional Kindergarten (TK)

- Lowered to about \$357 million (from \$604 million) due to reduced TK enrollment
- Lowered to about \$283 million (from \$337 million) first-year costs to add one certificated or classified staff
- Lowered to \$597 million (from \$690 million) 2nd-year costs TK to expand TK to approx. 42,000 children (turning five between Sept. 2 and April 2)

Senate Democrat Budget Priorities

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“Protect our Progress”

\$1 billion ***to increase child care payment rates.***

\$26 billion total to maintain a balanced state budget

- protect families and workers with low to middle incomes
- \$800 billion in new funds, plus diverted & federal funds

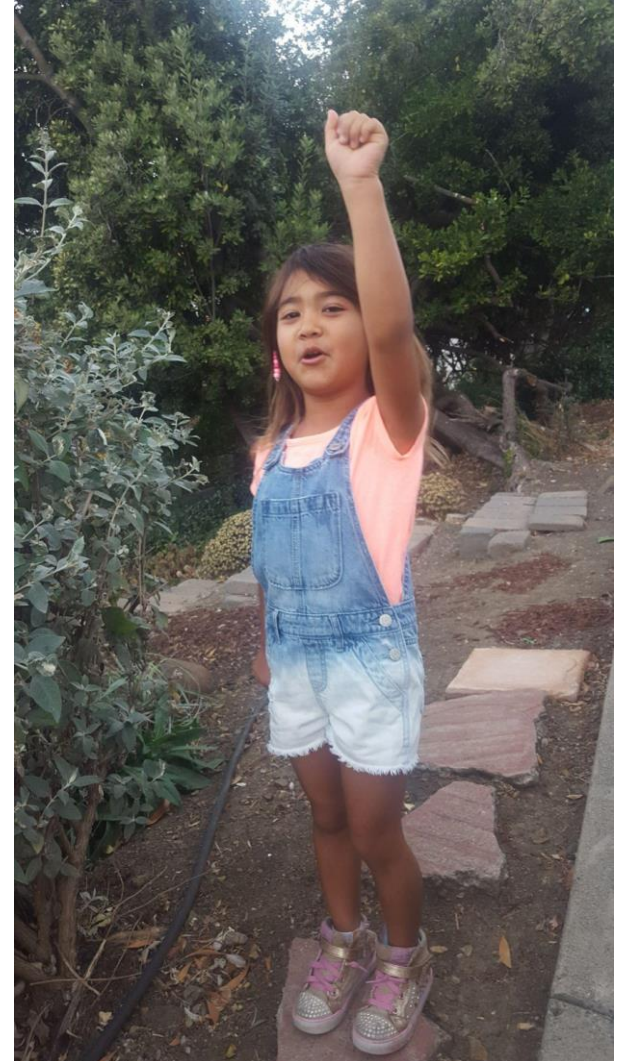
Assembly Budget Proposal

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“Care COLA”

\$1 billion

to increase child care
funding by 25.44%



Legislative Women's Caucus

Budget Priorities

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- Increase child care subsidy rates immediately
- Permanently raise the rates by adopting an alternative methodology that pays child care providers based on the true cost of care
- Continue to waive family fees
- Allocate 20,000 child care spaces immediately
- Change income eligibility for state publicly-funded child care services and expand the capacity of resource and referral networks

What Can You Do?

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- Listen to the people directly impacted
- Follow the lead of grassroots
- Take lobbying training to learn the rules for funders (i.e., Alliance for Justice of Bolder Advocacy)
- Sign up to follow state legislation at <https://leginfo.legislature.ca.gov>
- CCPU trying to get 5,000 child care providers to the Capitol on June 15

