



Alameda County Early Care and Education (ECE) Program
FY 20-21 Final Budget & Trailer Bill Highlights
Updated 9/9/20

On June 30th, Governor Newsom signed the Fiscal Year (FY) 20-21 State budget, which reflects the budget agreement between the Governor and Legislature announced on June 23rd. The budget largely protects child care programs, but does include some cuts due to the current economic situation.

Key highlights:

- Rejects the 10% reimbursement rate cut to all subsidized programs proposed in the Governor's May Revision.
- Transitions all ECE programs, except the California State Preschool Program (CSPP), to the Department of Social Services (DSS), beginning July 2021.
- Provides Hold Harmless for all state-subsidized child care providers for attendance if they are open in FY 20-21 and provides additional one-time assistance to child care providers and families.

The June budget bill was then amended by SB 820, an education-focused budget trailer bill, which resulted in some key changes to funding allocations and policy. Policy changes include:

- 14 additional nonoperational days for state-subsidized child care providers who have to close due to COVID-19 between September 1, 2020 and June 30, 2021.
- Family fee waiver extension between September 1, 2020 and June 30, 2021 for families where all children enrolled in subsidized early learning and care programs remain at home, either for distance learning or for sheltering in place. Also confirms that family fees were waived for all families for July and August and families who were disenrolled due to family fees during these months may be reenrolled without additional eligibility documentation.
- Confirmation that programs that operate on a local educational agency (LEA) campus that is closed due to public health orders will be reimbursed 100% of its contract amount.

A detailed summary of the budget and SB 820 begins on the following page.

Issue	Final Budget	Changes in SB 820 Budget Trailer Bill	Alameda County Impact
LPC Platform Category: Access			
Reorganization of ECE programs	\$2.3 million one-time funding to transition all ECE programs (except CSPP and ASES) to the Department of Social Services beginning July 2021, with appointment of a Deputy Director for Child Development	No changes	Moving ECE programs to DSS will distance the programs from the education ecosystem, despite a strong body of research demonstrating the importance of ECE for children’s school success. Additionally, for some providers, this will result in administrative challenges: 42% of the County’s state contracting agencies with both CSPP contracts and other ECE contracts will have now have two administering agencies instead of one.
Child Care and Development Block Grant (CCDBG) funding	<p>\$47.2 million in CCDBG funding for approximately 5,600 AP vouchers¹</p> <p>Adopts a Child Care Trigger² for up to \$300 million in anticipated CCDBG funds, which would be allocated towards:</p> <ul style="list-style-type: none"> • \$100 million for additional child care subsidies (AP Programs and General Child Care) • \$50 million for CSPP to increase capacity • \$125 million for stipends for state-subsidized child care providers operating during COVID-19 • \$25 million in stipends to help licensed child care providers cover reopening costs 	<p>Amends the \$300 million Child Care Trigger allocation as follows:</p> <ul style="list-style-type: none"> • \$100 million for additional child care subsidies (<i>no change</i>) • \$30 million for CSPP to increase capacity for two years • \$90 million for stipends for state-subsidized child care providers with increased expenses incurred during COVID-19 • \$15 million in stipends to help licensed child care providers cover reopening costs • \$30 million to cover the family fee waiver extension for 	

¹ First priority for these funds will be to extend subsidized care for income-eligible essential workers and at-risk children.

² This funding would go into effect/be “triggered” if Congress approves additional COVID-19 relief funding for states, including additional CCDBG funding.

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		<p>September 1, 2020 – June 30, 2021³</p> <ul style="list-style-type: none"> • \$35 million to support AP and migrant payment programs to reimburse providers for short-term child care to eligible children when a provider is closed due to COVID-19 (<i>i.e.</i>, costs incurred due to 14 additional non-operational days) 	
CARES Act funding	<p>\$50 million rollover for Essential Worker Child Care vouchers into FY 20-21</p> <p>\$62.5 million for one-time child care provider stipends (AP & CalWORKs providers)</p> <p>\$73 million in additional one-time subsidies for children of essential workers (prioritizes families identified under SB 89) for an additional 90 days of care (AP providers)</p> <p>\$8 million to extend the family fee waiver to June 30, 2020</p> <p>\$50 million for child care cleaning & safety supplies through the R&Rs (originally funded by SB 89)</p>	<p>\$31.25 million for one-time child care provider stipends (AP & CalWORKs providers) and \$31.25 million to cover costs associated with additional 14 non-operational days</p>	<p>In FY 19-20, Alameda County received more than \$2 million in CARES Act funding for emergency child care vouchers and an additional \$3 million for COVID-related supplies. However, ECE programs are in need of additional economic support. As programs re-open, serving the same number of children is not realistic. This has dramatic fiscal implications.</p> <p>To date, 1,746 essential worker families with 2,533 children have filled out the County’s coordinated child care intake and referral form, indicating their interest in child care assistance. They are seeking care for children of all ages, ranging from infants to twelve year olds. Meanwhile, only 52% of family child care providers and 41% of licensed child care centers report that they are open.</p>

³ If additional federal dollars are not received, direct service contractors, family child care home providers, and alternative payment providers will have to absorb the cost.

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Hold Harmless	<p>Provides Hold Harmless for all state-subsidized child care providers for attendance if open in FY 20-21⁴</p> <p>\$62.5 million in one-time CARES Act funding for Hold Harmless</p>	No changes.	Hold Harmless will help ensure that children are engaged, whether they can attend in-person or not, and that families are still receiving supportive services. This will also allow providers to keep staff employed.
California State Preschool Program (CSPP)	<p>Eliminates \$159.4 million expansion to slots (loss of 20,000 proposed new slots)</p> <p>\$130 million cut to ongoing funding</p>	No changes.	In FY 18-19, 5,358 children ages 3-4 were served by CSPP in the County, totaling \$54.2 million in funding.
CalWORKs Subsidies	<p>\$600 million increase for CalWORKs program for caseload growth⁵</p> <p>\$35.9 reduction to Stage 2 & 3 CalWORKs child care funding to reflect lower caseload estimates</p> <p>\$30 million one-time cut to the CalWORKs Home Visiting Program</p>	No changes.	<p>Alameda County has approximately 6,000 children ages 0-5 who are CalWORKs recipients. In FY 18-19, the County served 1,752 children ages 0-12 in Stages 2 & 3, totaling \$30.6 million in funding.</p> <p>Existing home visiting programs served only half of Alameda County children born with Medi-Cal in 2017-18, reflecting a need for additional funding. The budget cut, however, is not expected to impact current participants.</p>
LPC Platform Category: Quality			
Infrastructure Grants	Rescinds \$245 million in infrastructure grants from the FY 19-20 Budget Act	No changes.	Increased facilities funds are precursors to expansion and quality but have been historically underfunded. Many programs were counting on this funding for projects already in progress, while many will also

⁴ Includes both in-person and distance learning.

⁵ The budget also restores the 60 month eligibility time clock for CalWORKs program recipients.

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	Rescinds \$300 million in unspent full-day Kindergarten facility grants		need support for important facility modifications to meet COVID-19 health & safety guidelines.
LPC Platform Category: Workforce			
Workforce Development Grants	Rescinds \$195 million in funding from the FY 19-20 Budget Act	No changes.	This funding would have helped to expand trainings and support activities to a broad range of providers, as well as ensure that stipends and professional development are aligned with the Quality Counts California professional development system.
Transitional Kindergarten (TK) teacher training	Extends deadline for TK teachers to obtain 24 college units to August 2021	No changes.	
LPC Platform Category: Supportive Services			
Adverse Childhood Experiences (ACEs)	Rescinds \$10 million request for ACEs training program & public awareness campaign	No changes.	Forty percent of Alameda County six-year-olds have an unidentified or untreated developmental issue. Further, of households with children, an estimated 17.5% had at least one adult with four or more ACEs. Additional funding would have helped to improve the County's screening process.
Community Schools Grants	\$45 million one-time funding for existing Community School models	No changes.	
Other			
Preschool Development Grants (PDG)	Appropriates \$13.4 million one-time PDG funds to HHS to strengthen ECE system	No changes.	
Child care data system	Provides \$9.3 million one-time CCDBG quality set-aside funds for an ECE data	No changes.	

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	<p>system (part of the Cradle to Career data system)</p> <p>Rescinds \$10 million one-time funding from the FY 19-20 Budget Act</p>		
Early Childhood Policy Council	\$2.2 million cut	No changes.	
Paid Family Leave	Extends Paid Family Leave job protections to all workers currently eligible for the program	No changes.	