



March 12, 2021

Honorable Nancy Skinner, Chair
Joint Legislative Budget Committee
Senate Budget and Fiscal Review Committee

Honorable Phil Ting, Chair
Assembly Budget Committee

Honorable Anthony Portantino, Chair
Senate Appropriations Committee

Honorable Lorena Gonzalez, Chair
Assembly Appropriations Committee

**Section 28.00—Coronavirus Response and Relief Supplemental Appropriations Act
Funds for Child Care Providers**

Pursuant to the provisions of Section 28.00, 2021 Budget Act, the following report is respectfully submitted.

The Department of Finance has received the attached Section 28.00 application from the Department of Education for the purpose of reimbursing child care providers based on a family's enrollment consistent with Section 60(d)(1)(A) of Chapter 110 of the Statutes of 2020.

The Department of Education received official notification of the availability of \$964 million additional, unanticipated federal Child Care and Development Fund on February 1, 2021 and notified Finance within 45 days of this date. Chapter 6, Statutes of 2021 appropriated \$402 million of these funds for child care provider stipends and child care vouchers for essential workers and other eligible children. The remaining funds are available for appropriation in both the current fiscal year and 2021-22. As such, this notification is for \$20 million in federal Child Care and Development Fund to provide reimbursements to child care providers who serve families enrolled with a variable schedule at their maximum certificated amount.

This request meets the following criteria, as required in subdivision (b) of Section 28.00:

- The funds will be expended for reimbursing child care providers who serve families enrolled with variable schedules at their maximum certificated amount which is consistent with state law.
- The funds are made available to the state under conditions permitting their use only for the specified purpose, and the additional expenditure proposed would apply to this specified funding purpose.

- Acceptance of the additional funding does not impose on the state any requirement to commit or expend new state funds for any program or purpose.
- The need exists to expend the additional funding during the current fiscal year because providers have exhausted the original funding allocated for these purposes in Section 60(d)(1)(A) of Chapter 110 of the Statutes of 2020 and these additional funds will ensure continuity for providers during the COVID-19 pandemic.

We concur with the necessity of this change to the approved budget and will be approving the Section 28.00 application not sooner than 30 days from the above date.

If you have any questions or need additional information regarding this matter, please call Brianna Bruns, Principal Program Budget Analyst, at (916) 445-0328.

KEELY MARTIN BOSLER

Director

By:



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Chief Deputy Director

Attachment

cc: Honorable Kevin McCarty, Chair, Assembly Budget Subcommittee No. 2
Honorable John Laird, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Gabriel Petek, Legislative Analyst (3)
Joe Stephenshaw, Staff Director, Senate Budget and Fiscal Review Committee
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office (2)
Christian Griffith, Chief Consultant, Assembly Budget Committee
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office
Jason Sisney, Assembly Speaker's Office (2)
Mark McKenzie, Staff Director, Senate Appropriations Committee
Jay Dickenson, Chief Consultant, Assembly Appropriations Committee
Leisa Maestretti, Fiscal and Administrative Services Division Director, California Department of Education
Nicole Serrano, Staff Services Manager, Fiscal and Administrative Services Division, California Department of Education

Please report dollars in thousands.

DEPARTMENT Education	ITEM NO./ FISCAL YEAR 2020-2021	NOTIFICATION LETTER TO LEGISLATURE: <input type="checkbox"/> 30-DAY NOTICE <input checked="" type="checkbox"/> REQUEST WAIVER OF 30-DAY NOTICE
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PROGRAM TITLE PER GOVERNOR'S BUDGET:

CRRSA

FUNDING (SPECIFY FUND)	CURRENTLY BUDGETED	REQUESTED CHANGE (+) OR (-)	TOTAL
6100-666-0890	752,314,000	20,000,000	772,314,000

(Check appropriate boxes)

- The funds will be expended for a purpose that is consistent with state law (explain use of funds in Part A below).
- The funds are made available to the state under conditions permitting their use only for a specified purpose, and the additional expenditure proposed under this section would apply to that specified funding purpose (as supported by explanation for the purpose of the funds).
- Acceptance of additional funding does not impose on the state any requirement to commit or expend new state funds for any program or purpose.
- The need exists to expend the additional funding during the current fiscal year (explain in Part B below).
- This application is provided to Finance within 45-days of official notice of receipt of funds.
- Explanation of delayed notification to Finance is attached (required if 45-day notification period is exceeded).
- A copy of the official notice of fund availability is attached to this application.
- One-time expenditure.
- Ongoing commitment from this source (if checked, explain under Program Proposal).
- Matching funds required (if checked, explain under Program Proposal).
- Expenditure either supplements or supplants an existing state-funded program (if checked, explain under Program Proposal).

PART A: For what purpose will the funds be expended?

The spending authority will be used for the Alternative Payment Early Learning and Care programs consistent with SB 820 Sec. 60(d)(1)(A) to support reimbursement to childcare providers. SB 820 specifies that, notwithstanding subdivision (d) of Section 8221.5 of the Education Code, reimbursement for childcare providers, including license-exempt providers, shall be based on families' certified need, regardless of attendance, and that providers shall be reimbursed based on the maximum authorized hours of care for families certified for a variable schedule and for license-exempt part-time care. Funding provided for this purpose has been exhausted. Additional authority will allow for continued stability in reimbursements for providers with families enrolled with variable schedules.

PART B: Explain the need to expend the funds in the current fiscal year, including the consequence of waiting until budget year to expend the funds:

The requested spending authority is to assure providers are able to remain open or reopen and to support the stability of the child care sector. Without this authority, providers will not be fiscally covered for children who choose to shelter-in-place due to COVID-19. As a result, waiting until the budget year would result in a loss of childcare providers who provide critical access to care for low income children and families in California.

PROGRAM PROPOSAL (Attach additional information as necessary)

TITLE:

EARLY LEARNING AND CARE

STATUTORY AUTHORITY: (state, federal, as appropriate)

DESCRIPTION:

The Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA) grant was awarded to CDE on February 1, 2021. This additional authority supplements the existing local assistance Early Learning and Care programs administered by the CDE. Early Learning and Care programs have been a vital source of support during the COVID-19 pandemic, as they continue to provide childcare services to essential workers, at-risk populations, and low-income families.

JUSTIFICATION:

An additional allocation to reimburse providers at the families' certified need allows for providers to be reimbursed based on enrollment, regardless of attendance. Insufficient funding for Alternative Payment Programs directly impacts the industry and individuals that are supporting childcare, which in turn impacts California's most vulnerable and needy children in need of care since there are less options for them to choose from.

SUBMITTED BY:

BUDGET OFFICER:

DATE:

APPROVED BY DEPARTMENT OF FINANCE:

DATE SUBMITTED TO LEGISLATURE:

3/12/2021

DIRECTOR:

DATE:

PPBA:

DATE:
