

An act to amend Section 111 of Chapter 24 of the Statutes of 2020, relating to education finance, and making an appropriation therefor, to take effect immediately, bill related to the budget.

SECURED
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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 111 of Chapter 24 of the Statutes of 2020, as amended by Section 60 of Chapter 110 of the Statutes of 2020, is amended to read:

Sec. 111. (a) The Legislature finds and declares all of the following:

(1) The federal Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136) Child Care and Development Block Grant supplemental payment awarded three hundred fifty million three hundred fourteen thousand dollars (\$350,314,000) to California to address the impact of the COVID-19 pandemic on childcare providers and the families they serve. These funds were awarded to prevent, prepare for, and respond to the COVID-19 pandemic emergency, to provide assistance to childcare providers in the case of decreased enrollment or closures, and to provide childcare assistance to essential workers during the response to the COVID-19 pandemic.

(2) In response to the COVID-19 pandemic, the state appropriated the sum of one hundred fifty-two million three hundred fourteen thousand dollars (\$152,314,000) from the General Fund to childcare providers for COVID-19 pandemic-related assistance between March 4, 2020, and August 28, 2020, inclusive, as follows:

(A) Fifty million dollars (\$50,000,000) was allocated to non-local educational agency childcare providers, which remained open or intend to reopen during the COVID-19 pandemic emergency, for health, safety, and cleaning supplies related to federal, state, and local COVID-19 pandemic emergency public health and safety guidance, pursuant to Senate Bill 89 (Chapter 2 of the Statutes of 2020).

(B) Fifty million dollars (\$50,000,000) was allocated to existing state-subsidized childcare providers to support additional access to early learning and care for essential workers, at-risk children, and children with disabilities or special health care needs whose individualized education programs or individualized family service plans include early learning and care services, pursuant to Senate Bill 89 (Chapter 2 of the Statutes of 2020), for a minimum of 60 days of care for each eligible worker and at-risk child.

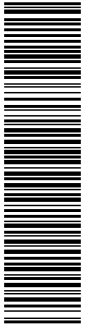
(C) Forty-one million three hundred fourteen thousand dollars (\$41,314,000) was allocated for the estimated cost of provider closures, waived family fees, and other assistance, consistent with Executive Order No. N-66-20.

(D) Three million ~~three hundred thousand dollars~~ (~~\$3,300,000~~) dollars (\$3,000,000) was allocated to CalWORKs Stage 1 childcare for the estimated cost of waived family fees, consistent with Executive Order No. N-66-20.

(E) Six million dollars (\$6,000,000) was allocated for the estimated costs of extending the family fee waivers through June 30, 2020, consistent with Executive Order No. N-66-20.

(F) Two million dollars (\$2,000,000) was allocated to CalWORKs Stage 1 childcare for the estimated costs of extending the family fee waivers through June 30, 2020, consistent with Executive Order No. N-66-20.

(b) It is therefore the intent of the Legislature, consistent with the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act Child Care and Development Block Grant supplemental payment requirements, which allow states to restore amounts either directly or through reimbursement for obligations incurred to prevent, prepare for, and respond to the COVID-19 pandemic before enactment of the CARES Act, to allocate ~~one hundred fifty-two million three hundred fourteen thousand~~



~~dollars (\$152,314,000)~~ forty two million fourteen thousand dollars (\$42,014,000) of the CARES Act Child Care and Development Block Grant supplemental payment to fund reimbursement of the General Fund for the costs described in paragraph (2) of subdivision (a).

(c) On July 1, 2020, the Controller shall transfer the sum of ~~one hundred fifty-two million three hundred fourteen thousand dollars (\$152,314,000)~~ forty two million fourteen thousand dollars (\$42,014,000) from the Federal Trust Fund, consistent with the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act Child Care and Development Block Grant supplemental payment requirements, to the General Fund to offset the state costs incurred in the 2019–20 fiscal year described in subdivision (b).

(d) For the 2020–21 fiscal year, the sum of ~~one hundred ninety-eight million dollars (\$198,000,000)~~ three hundred eight million dollars (\$308,000,000) is hereby appropriated from the Federal Trust Fund, consistent with the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act Child Care and Development Block Grant supplemental payment requirements, to the Superintendent of Public Instruction for COVID-19 pandemic-related relief and assistance for childcare providers, the families those childcare providers serve, and essential workers, as follows:

(1) Of the funds appropriated pursuant to this subdivision, one hundred twenty-five million dollars (\$125,000,000) shall be allocated to state-subsidized childcare providers, including centers, family childcare homes, and license-exempt providers, serving children through an alternative payment program pursuant to Article 3 (commencing with Section 8220) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code and migrant childcare and development programs pursuant to Article 6 (commencing with Section 8230) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, or through a CalWORKs Stage 1, Stage 2, or Stage 3 program, for financial assistance to address any hardships incurred as a result of various economic factors, such as decreased enrollment, increased teacher-to-child ratios, and other increased costs, to ensure that childcare providers maintain high-quality care, access, and safety for workers and families in their childcare programs. These funds shall be allocated as follows:

(A) (i) Of the funds allocated for purposes of this paragraph, sixty-two million five hundred thousand dollars (\$62,500,000) shall be allocated to support alternative payment programs, including migrant alternative payment programs, to reimburse providers described in paragraph (1) through June 30, 2021, or until this funding is exhausted, whichever is sooner. 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.

(ii) For families certified for a variable schedule, providers shall be reimbursed based on the maximum authorized hours of care.

(iii) For license-exempt providers that provide part-time services, providers shall be reimbursed based on the maximum authorized hours of care.

(B) Of the funds allocated for purposes of this paragraph, up to thirty-one million two hundred fifty thousand dollars (\$31,250,000) shall be allocated to support alternative payment programs, including migrant alternative payment programs, to reimburse providers described in paragraph (1) with a one-time stipend as follows:



(i) The State Department of Education, in consultation with the State Department of Social Services, shall determine a flat-rate stipend amount for all childcare providers based on the number of subsidized children enrolled and the average cost of care.

(ii) The Superintendent of Public Instruction shall allocate stipends to alternative payment programs for distribution to childcare providers according to a schedule to be provided by the Superintendent of Public Instruction and approved by the Department of Finance. The State Department of Education may designate another agency to distribute these funds to childcare providers if the alternative payment program in the area is determined by the State Department of Education to be unable to allocate the funds.

(iii) The administration fee charged by an alternative payment program distributing the stipends to childcare providers shall not exceed 5 percent.

(C) (i) A state-subsidized childcare provider, as described in this paragraph, is eligible for up to 14 paid nonoperational days, in addition to the current nonoperational days allowable by paragraph (2) of subdivision (b) of Section 18076.2 of Title 5 of the California Code of Regulations, between September 1, 2020, and June 30, 2021, when the provider is closed due to the COVID-19 pandemic emergency.

(ii) Of the funds allocated for purposes of this paragraph, up to thirty-one million two hundred fifty thousand dollars (31,250,000) shall be allocated to support alternative payment programs, including migrant alternative payment programs, to reimburse state-subsidized childcare providers for providing short-term childcare to eligible children when a provider is closed as described in clause (i). Reimbursements shall be made to providers until funds are exhausted.

(iii) An alternative payment program, including a migrant alternative payment program, shall track the usage of paid nonoperational days and associated costs due to the COVID-19 pandemic emergency and short-term childcare to eligible children, pursuant to this section, and report monthly on usage to the State Department of Education and the State Department of Social Services. The use of nonoperational days and associated costs reported to the State Department of Education shall be used to determine reimbursements as described in clause (ii).

(D) (i) Notwithstanding Section 8273 of the Education Code and any accompanying regulations, family fee waivers are extended through August 31, 2020.

(ii) Family fees that have already been collected for the months of July 2020 and August 2020 shall be refunded to the family or credited to a future month pursuant to guidance from the Superintendent of Public Instruction and the State Department of Social Services.

(iii) Those families who were disenrolled, voluntarily or involuntarily, due to family fees in the month of July 2020 or August 2020 may be reenrolled without the need for any additional eligibility documentation, subject to guidance from the Superintendent of Public Instruction and the State Department of Social Services.

(iv) From September 1, 2020, to June 30, 2021, inclusive, family fees applicable for programs administered by the State Department of Education are waived only for families described in Section 8273.1 of the Education Code and families where all children in the family enrolled in subsidized early learning and care remain at home, either for distance learning or for families sheltering in place, subject to guidance from the Superintendent of Public Instruction and the State Department of Social Services.



(v) To the extent that additional federal funds are not provided, as specified in Section 61 of the act adding this subparagraph, the cost of waiving the fees pursuant to clause (iv) shall be absorbed by the respective direct service contractors, family childcare home providers participating in a family childcare home education network, and alternative payment program providers.

(E) Once the funding from the allocations in subparagraphs (A), (B), and (C) necessary for CalWORKs Stage 1 providers, pursuant to Section 8351 of the Education Code, has been identified, a budget revision shall be submitted by the State Department of Education to the Controller to move the appropriate funding amounts identified for CalWORKs Stage 1 providers to the State Department of Social Services for allocation.

(2) Of the funds appropriated pursuant to this subdivision, seventy-three million dollars (\$73,000,000) shall be allocated by the State Department of Education to existing state-subsidized alternative payment programs, including, but not limited to, alternative payment programs for migrant childcare and development programs pursuant to Article 6 (commencing with Section 8230) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, to extend childcare services for essential workers, at-risk children, and children with disabilities or special health care needs whose individualized education programs or individualized family service plans include early learning and care services who accessed childcare services pursuant to Senate Bill 89 (Chapter 2 of the Statutes of 2020) and who were not able to get ongoing childcare services through the additional funds provided in Schedule (3) and described in Provision (7) of Item 6100-194-0890 of Section 2.00 of the Budget Act of 2020.

(A) The funds allocated pursuant to this paragraph shall be used to provide childcare services for 90 days in addition to the days specified in Executive Order No. N-66-20.

(B) Notwithstanding any other law, if essential workers, at-risk children, and children with disabilities or special health care needs whose individualized education programs or individualized family service plans include early learning and care services who accessed childcare services pursuant to Senate Bill 89 (Chapter 2 of the Statutes of 2020) were disenrolled, they may be reenrolled pursuant to this paragraph before July 15, 2020, without needing to provide eligibility documentation.

(C) An alternative payment program shall, to the extent possible, work directly with a family that receives childcare services funded pursuant to this paragraph and the local resource and referral agency to assist the family in accessing ongoing subsidized or nonsubsidized childcare services that meets the family's needs.

(D) If an alternative payment program projects that it will have unspent funds after childcare services are provided pursuant to subparagraph (A), the alternative payment program may extend childcare services beyond 90 days for the enrolled families, until funds are exhausted.

(E) Of the funds appropriated pursuant to Senate Bill 89 (Chapter 2 of the Statutes of 2020) to extend childcare services for essential workers, at-risk children, and children with disabilities or special health care needs whose individualized education programs or individualized family service plans include early learning and care services, any funds not encumbered before July 1, 2020, shall be used for purposes of this section.

(3) Of the funds appropriated pursuant to this subdivision, thirty million dollars (\$30,000,000) shall be allocated by the State Department of Education to reimburse



contractors for the cost of waived family fees for families not receiving in-person services from September 1, 2020, to June 30, 2021.

(4) Of the funds appropriated pursuant to this subdivision, eighty million dollars (\$80,000,000) shall be allocated by the State Department of Education to reimburse contractors. Funding shall be prioritized in the following order:

(A) To support costs associated with increased childcare service hours for ongoing enrollments due to school closures.

(B) To extend services for families enrolled in emergency childcare.

(e) Notwithstanding Section 26.00 of the Budget Act of 2020, the State Department of Education may transfer program expenditure authority provided in paragraph (1) of subdivision (d) between schedules to accurately reflect expenditures in the program schedules, upon the approval of the Department of Finance. The Department of Finance may, at its discretion, approve such a transfer of program expenditure authority to the extent total allocations do not exceed the total amount appropriated pursuant to paragraph (1) of subdivision (d). Upon approval from the Department of Finance, the Superintendent of Public Instruction shall notify the chairs of the relevant policy committees and budget subcommittees of the Legislature of its intent to transfer program expenditure authority between programs.

(f) Notwithstanding the priorities for services pursuant to Section 8263 of the Education Code, all children who meet the need and eligibility requirements of Sections 8263 and 8263.1 of the Education Code enrolled in childcare pursuant to Executive Order No. N-45-20, N-47-20, or N-66-20 shall be first priority for enrollment in alternative payment programs with available capacity, subject to guidance from the Superintendent of Public Instruction.

(g) For purposes of this section, “essential worker” has the same meaning as “essential critical infrastructure worker” pursuant to Executive Order No. N-45-20.

SEC. 2. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.



LEGISLATIVE COUNSEL'S DIGEST

Bill No.
as introduced, _____.
General Subject: Education finance.

The Child Care and Development Services Act establishes a system of childcare and development services for children up to 13 years of age. Commencing July 1, 2021, existing law transfers specified childcare programs, responsibilities, services, and systems from the State Department of Education and the Superintendent of Public Instruction to the State Department of Social Services.

Existing law provides that the Legislature finds and declares that the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136) Child Care and Development Block Grant supplemental payment awarded funds to California to address the impact of the COVID-19 pandemic on childcare providers and the families they serve, including to prevent, prepare for, and respond to the pandemic emergency, to provide assistance to childcare providers in the case of decreased enrollment or closures, and to provide childcare assistance to essential workers during the response to the pandemic. Existing law provides that it is the intent of the Legislature to allocate funds to restore amounts either directly or through reimbursement for obligations incurred relating to childcare and the pandemic. Existing law requires the Controller to transfer, on July 1, 2020, \$152,314,000 from the Federal Trust Fund, and consistent with the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act Child Care and Development Block Grant supplemental payment requirements, to the General Fund to offset the state costs incurred in the 2019–20 fiscal year. For the 2020–2021 fiscal year, existing law appropriates \$198,000,000 from the Federal Trust Fund to the Superintendent of Public Instruction for COVID-19 pandemic-related relief and assistance for childcare providers, the families those childcare providers serve, and essential workers, as prescribed.

This bill would instead require \$42,014,000 to be transferred on July 1, 2020, and would instead appropriate \$308,000,000 for the 2020–2021 fiscal year thereby making an appropriation. Of the funds appropriated for the 2020–2021 fiscal year, the bill would allocate \$30,000,000 to the State Department of Education to reimburse contractors for the cost of waived family fees for families not receiving in-person services from September 1, 2020, to June 30, 2021, inclusive, and would allocate \$80,000,000 to the State Department of Education to reimburse contractors pursuant to prioritized factors, including to support costs associated with increased childcare service hours for ongoing enrollments due to school closures.

This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

