

**California Department of Social Services  
2022 Proposed Trailer Bill**

**Title: Licensed Stipends Funds End-Date**

**Section 3 of Chapter 261, Statutes of 2021 is amended as follows:**

SEC. 3. Section 263 of Chapter 116, Statutes of 2021 is amended to read:

SEC. 263. (a) In response to the COVID-19 pandemic, the Legislature hereby makes available the sum of five hundred seventy-nine million dollars (\$579,000,000) to provide subsidized child care, state preschool, and all licensed child daycare facilities with COVID-19 pandemic-related assistance. Of the five hundred seventy-nine million dollars (\$579,000,000), five hundred nineteen million (\$519,000,000) is allocated from the funds described in subdivision (d) of Provision 5 of Item 6100-149-0890 of the Budget Act of 2021 (Ch. 21, Stats. 2021), as amended by Senate Bill 129 of the 2021–22 Regular Session, and sixty million dollars (\$60,000,000) in federal funds is hereby appropriated to the State Department of Education. The State Department of Education shall transfer five hundred twenty-four million dollars (\$524,000,000) of those funds to the State Department of Social Services to administer the activities described in this section.

(b) Of the five hundred seventy-nine million dollars (\$579,000,000), the Legislature hereby allocates the funding as follows:

(1) Two hundred five million five hundred forty thousand dollars (\$205,540,000) shall be allocated to the State Department of Social Services and the State Department of Education to provide a flat-rate one-time stipend amount of six hundred dollars (\$600) per child enrolled in a subsidized child care or a state preschool program pursuant to subparagraph (A). The state shall provide the flat-rate one-time stipend amount for all child care providers and state preschool programs serving children described in this paragraph based on the number of subsidized children enrolled. Except as otherwise described in this paragraph, this flat-rate one-time stipend shall be issued based on program data for March 2021 enrollment only. For seasonal Migrant Child Care programs that operate pursuant to Article 6 (commencing with Section 8230) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, and that did not operate in March 2021, stipends shall be based on the most recent prior month of operation. A stipend may be used to support subsidized child care providers and state preschool programs with COVID-19 pandemic relief, and, in the case of decreased enrollment or closures, to support child care providers and state preschool programs in remaining open or reopening.

(A) The flat-rate one-time stipend shall be payable to subsidized child care providers and state preschool programs operating or serving programs pursuant to Article 3 (commencing with Section 8220) of, Article 6 (commencing with Section 8230) of, Article 7 (commencing with Section 8235), Article 8 (commencing with Section 8240) of, Article 8.5 (commencing with Section 8245) of, Article 9 (commencing with Section 8250) of, or Article 15.5 (commencing with Section 8350) of, Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, or Article 6 (commencing with Section 11461.6) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, as those provisions read on February 3, 2021.

(B) In addition to the flat-rate one-time stipend amount of six hundred dollars (\$600) per child enrolled, the Superintendent of Public Instruction and the State Department of Social Services shall provide state preschool programs, county welfare departments, alternative payment and direct contract programs distributing stipends to these providers with a 5 percent administrative fee.

(C) The State Department of Education shall allocate stipends for distribution to the state preschool programs and the State Department of Social Services shall allocate stipends for distributions to child care providers.

(D) The State Department of Education and the State Department of Social Services shall exchange any essential data necessary to issue stipend payments to child care providers.

(E) The State Department of Education and the State Department of Social Services may designate another agency or agencies to distribute these funds to child care providers.

(F) Of the two hundred five million five hundred forty thousand dollars (\$205,540,000), the following shall be allocated for administrative costs related to the implementation of this paragraph and subparagraph (A) of paragraph (2):

(i) One million seven hundred fifty thousand dollars (\$1,750,000) to the State Department of Social Services.

(ii) Two hundred fifty thousand dollars (\$250,000) to the State Department of Education.

(2) (A) One hundred seventy-six million eight hundred sixty thousand dollars (\$176,860,000) shall be allocated **to the extent that appropriated funds are available or until July 31, 2022, whichever comes first**, to provide a flat-rate one-time stipend to all licensed child daycare facilities in the state, including the temporarily closed facilities named on the "CCP COVID19 Facility Closures" report, who have a child day care facility license on June 25, 2021, subject to review for any facilities with a pending administrative action for license revocation that subsequently results in the permanent closure of the facility. Stipend amounts shall be provided based on the facility type and licensed capacity, as follows:

(i) Three thousand five hundred dollars (\$3,500) per family daycare home.

(ii) Three thousand five hundred dollars (\$3,500) per daycare center with a maximum licensed capacity of 14 children or fewer.

(iii) Four thousand dollars (\$4,000) per daycare center with a maximum licensed capacity of 15 to 24, inclusive, children.

(iv) Five thousand dollars (\$5,000) per daycare center with a maximum licensed capacity of 25 and 60, inclusive, children.

(v) Six thousand five hundred dollars (\$6,500) per day care center with a licensed capacity of more than 60 children.

(B) Stipends shall be used to support COVID-19 pandemic-related relief, including, but not limited to, support for decreased enrollment, increased costs associated with distance learning, increased costs due to cleaning and sanitization, and other activities necessary to maintain or resume the operation of programs, including for fixed costs and increased operating expenses due to the COVID-19 pandemic. The intent and expectation is that

licensees share a portion of the stipends directly with their staff in the form of bonuses or incentive pay.

(C) The State Department of Social Services shall distribute stipends to licensed child day care facilities.

(D) The State Department of Social Services may designate another agency or agencies to distribute these funds to licensed child day care facilities.

(3) Sixty million dollars (\$60,000,000) in one-time funding shall be allocated to reimburse child care and preschool contractors for family fees that are waived pursuant to subparagraph (A).

(A) Notwithstanding any other law, from July 1, 2021, to June 30, 2022, inclusive, family fees are waived for all families receiving subsidized child care services from child care providers and state preschool programs administered by the State Department of Social Services and the State Department of Education pursuant to Article 3 (commencing with Section 8220) of, Article 6 (commencing with Section 8230) of, Article 7 (commencing with Section 8235) of, Article 8 (commencing with Section 8240) of, Article 8.5 (commencing with Section 8245) of, Article 9 (commencing with Section 8250) of, or Article 15.5 (commencing with Section 8350) of, Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, or Article 6 (commencing with Section 11461.6) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, as those provisions read on February 3, 2021.

(B) During any period in which family fees are waived, contractors shall reimburse the subsidized child care providers for the full amount of the certificate or voucher without deducting family fees.

(C) The State Department of Social Services, in consultation with the State Department of Education, shall submit a Child Care and Development Fund (CCDF) state plan amendment to include family fee waivers and reimbursement for waived family fees, as described in subparagraphs (A) and (B), to the federal Administration for Children and Families (ACF) for approval pursuant to the federal guidance provided in Information Memorandum CCDF-ACF-IM-2021-01 on CCDF discretionary funds appropriated in the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act (P.L. 116-260).

(4) (A) Thirty-one million dollars (\$31,000,000) shall be allocated to provide a state-subsidized child care provider operating or serving programs funded by a county, alternative payment program, or a family child care home education network pursuant to Article 3 (commencing with Section 8220) of, Article 6 (commencing with Section 8230) of, Article 8.5 (commencing with Section 8245) of, or Article 15.5 (commencing with Section 8350) of, and Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, as those provisions read on February 3, 2021, up to 16 additional paid nonoperational days between July 1, 2021, and June 30, 2022, inclusive, if the provider is closed due to COVID-19 related reasons.

(B) State funding specified in subdivision (c) shall be allocated to provide a state-subsidized child care provider serving children through the Emergency Child Care Bridge Program for Foster Children pursuant to Article 6 (commencing with Section 11461.6) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, with up to 16 paid nonoperational days

between July 1, 2021, and June 30, 2022, inclusive, if the provider is closed due to COVID-19 related reasons.

(C) An alternative payment program, a migrant alternative payment program, a family child care home education network, and a county welfare department administering a subsidized child care program pursuant to subparagraph (A) or (B) shall track the usage of paid nonoperational days and associated costs due to the COVID-19 pandemic emergency and short-term child care to eligible children and report monthly on usage to the State Department of Social Services and the State Department of Education. The use of nonoperational days and associated costs reported to the State shall be used to determine reimbursements for nonoperational days as described in this subdivision.

(D) The State Department of Social Services and State Department of Education shall issue guidance to family child care home education network programs operating pursuant to Article 8.5 (commencing with Section 8245) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, as those provisions read on February 3, 2021, that directs family child care home education network programs to use the additional 16 nonoperational days for COVID-19 related closures not reimbursed by paragraph (6) of subdivision (b).

(5) (A) (i) Seventy million dollars (\$70,000,000) shall be allocated to provide support, as described in subparagraph (B), through June 30, 2022, to alternative payment programs, including migrant alternative payment programs, and to state-subsidized child care providers, including daycare centers, family daycare homes, and license-exempt providers, that serve children through an alternative payment program pursuant to Article 3 (commencing with Section 8220), migrant child care and development programs pursuant to Article 6 (commencing with Section 8230), the California state preschool program pursuant to Article 7 (commencing with Section 8235), a general child care and development program pursuant to Article 8 (commencing with Section 8240), a family child care home education network pursuant to Article 8.5 (commencing with Section 8245), child care and development services for children with special needs pursuant to Article 9 (commencing with Section 8250), or a CalWORKs Stage 1, Stage 2, or Stage 3 program, pursuant to Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, as those provisions read on February 3, 2021.

(ii) State funding specified in subdivision (c) shall be allocated to provide support, as described in subparagraph (B), through June 30, 2022, to counties and alternative payment programs, and to state-subsidized child care providers, including daycare centers, family daycare homes, and license-exempt providers, that serve children through the Emergency Child Care Bridge Program for Foster Children pursuant to Article 6 (commencing with Section 11461.6) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code.

(B) Notwithstanding subdivision (d) of Section 8221.5 of the Education Code, as it read on February 3, 2021, reimbursement for child care providers, including license-exempt providers, shall be based on families' certified need, as follows:

(i) Providers shall be reimbursed based on the maximum authorized hours of care, 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.

(6) (A) Contracting agencies operating a migrant child care and development program pursuant to Article 6 (commencing with Section 8230), a California state preschool program pursuant to Article 7 (commencing with Section 8235), a general child care and development program pursuant to Article 8 (commencing with Section 8240), a child care and development services for children with special needs program pursuant to Article 9 (commencing with Section 8250), or a family child care home education network program pursuant to Article 8.5(commencing with Section 8245) of, Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, as those provisions read on February 3, 2021, shall be reimbursed according to subparagraph (B), if they meet either of the following requirements:

(i) The program is open and operating in accordance with their approved program calendar and remains open and offering services through the program year.

(ii) The program operated by the contracting agency is closed by local or state public health order or guidance due to the COVID-19 pandemic.

(B) Reimbursement pursuant to subparagraph (A) shall be 100 percent of the contract maximum reimbursable amount or net reimbursable program costs, whichever is less, pursuant to guidance released by the Superintendent of Public Instruction and the State Department of Social Services for their respective programs.

(C) A child care or preschool program specified in subparagraph (A) that is physically closed as described in clause (ii) of subparagraph (A) due to the COVID-19 pandemic, but funded to be operational, shall provide distance learning services, as specified by the Superintendent of Public Instruction and the State Department of Social Services for their respective programs. A contractor specified in subparagraph (A) shall submit a distance learning plan to the department overseeing their contract pursuant to guidance from the applicable department.

(7) One-time funding of twenty-five million dollars (\$25,000,000) shall be allocated to the existing Child Care Initiative Project (CCIP), which may be used to address child care deserts, including, but not limited to, where infant and toddler care has the greatest unmet need, and to support providers who have closed during the pandemic in reopening. Funding allocated pursuant to this paragraph shall be liquidated by September 30, 2023.

(8) One-time funding of ten million six hundred thousand dollars (\$10,600,000) shall be allocated to expand the California Inclusion and Behavior Consultation (CIBC) project to support the expertise, best practices, and well-being of child care providers in order to promote the health, safety, and well-being of the children and families they serve who are impacted by COVID-19. Funding allocated pursuant to this paragraph shall be liquidated by September 30, 2023.

(c) Of the amount appropriated in Item 5180-101-0001 of the Budget Act of 2021, six million dollars (\$6,000,000) is allocated for the purposes described in subparagraph (B) of paragraph (4) of subdivision (b), and clause (i) of subparagraph (A) of paragraph (5) of subdivision (b).

(d) Notwithstanding subdivision (b) of Section 8221.5 of the Education Code, as it read on February 3, 2021, if a child care provider attempts to collect a signature on the monthly attendance record or invoice and the parent or guardian is unable to sign due to the

COVID-19 pandemic, the child care provider may, for monthly attendance records or invoices from July 1, 2021, through June 30, 2022, inclusive, or from July 1, 2021, through the end of the state of emergency declared by the Governor on March 4, 2020, in response to the COVID-19 pandemic, whichever period is shorter, submit an attendance record or invoice without the parent or guardian signature, subject to guidance issued by the applicable department.

(e) The funding described in this section shall be subject to federal usage limitations and federal and state program eligibility requirements.

(f) (1) The Legislature hereby approves the agreement, dated April 20, 2021, entered into by the Governor and Child Care Providers United – California, in its sole capacity as the certified provider organization representing family child care providers, as defined in paragraph (1) of subdivision (b) of Section 8431 of the Education Code. This paragraph shall be limited to the terms specified in the agreement and shall not be interpreted to expand upon or change the agreement.

(2) The provisions of the agreement prepared pursuant to Section 8435.5 of the Education Code, as it read on February 3, 2021, and entered into by the Governor and Child Care Providers United - California, dated April 20, 2021, that require the expenditure of funds or legislative action to permit their implementation, are hereby approved by the Legislature for the purposes of subdivision (b) of Section 8435.5 of the Education Code, as it read on February 3, 2021.

(g) (1) Contracts or grants awarded pursuant to this section shall be exempt from the personal services contracting requirements of Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code. Contracts or grants awarded pursuant to this section shall be exempt from the Public Contract Code and the State Contracting Manual, and shall not be subject to the approval of the Department of General Services.

(2) Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the State Department of Social Services and the State Department of Education may implement, interpret, or make specific this section by means of all-county letters, bulletins, or similar written instructions from either department until regulations are adopted. These all-county letters or similar written instructions shall have the same force and effect as regulations.

(h) (1) Notwithstanding any other law, upon the request of the State Department of Education or the State Department of Social Services, the Department of Finance may authorize the transfer of expenditure authority between the allocations set forth in this section.

(2) The aggregate amount of allocation increases provided under this subdivision shall not exceed the aggregate amount of allocation decreases.

(i) For purposes of this section, "state" means the State Department of Education, the State Department of Social Services, and the Department of Finance, unless otherwise specified.