



State and Federal ECE Policy and Budget Updates

September 21, 2020





State ECE Budget Updates

On August 31, the State Legislature passed SB 820, an education budget trailer bill. The bill was signed into law by the Governor on September 21.

This bill amends the State budget passed earlier this summer. Every year, the Legislature passes these types of bills to make necessary clarifications and changes to the budget.

Major Policy Changes Included in SB 820

- Child care providers now have an additional 14 ‘non-operational’ days in which they can be closed due to COVID. This is in addition to the 10 days they already had.
- Family fees, which are required of some families accessing subsidized child care, were waived for all families for July and August prior to the passage of SB 820.
 - SB 820 waives family fees from September 1, 2020 to June 30, 2021 *only* for families where all children enrolled in subsidized care remain at home, either for distance learning or because the family is sheltering in place.

Budgetary Changes in SB 820

- The Legislature did not include additional money to cover the new policy changes related to child care in the budget trailer bill.
- Instead, funding was re-allocated to cover these new costs, such as the costs associated with the 14 additional non-operational days. Additional detail on budgetary changes can be found on pages 8 & 9.
- Some issues depend on whether additional COVID-19 funding from the federal government is provided in the coming months.
 - For example, if additional federal funding is not provided, APs and child care providers will have to cover the cost of waived family fees from September 2020 through June 2021. This is a big concern for our child care system, which we know is already struggling financially.



Federal ECE Updates

Over the past several months, Congress has been working to pass a second COVID-19 relief package.

Several proposals have included emergency funding for child care, ranging from \$15 billion to \$50 billion.

- The most recent proposal from a bipartisan group of House members would provide \$15 billion for child care, including \$10 billion for direct provider relief and \$5 billion for the Child Care & Development Block Grant (CCDBG).

Unfortunately, it is currently unlikely that a second COVID-19 relief package will be passed before the election.

What else could be included in a second COVID relief package?

In addition to funding for child care, Congress is considering several other relief proposals that impact children, families, and child care providers, including:

- Additional funding for K-12 schools
- Additional unemployment assistance
- Second round of stimulus checks to households
- Second round of Payment Protection Program (PPP) loans, which can be accessed by child care providers
- Additional funding to states and local governments to cover costs associated with COVID-19

Whether or not these proposals will be included in a final COVID-19 relief package will depend on negotiations between the House, Senate, and Administration.



How Can You Support ECE at the State and Federal Levels?

State Advocacy:

- Contact the [Governor](#) and your [State Representatives](#) to express your concern regarding the lack of dedicated funding to cover waived family fees.
 - If you are a child care provider, share the impact this will have on your business.

Federal Advocacy:

- Contact your [Congressional Representatives](#) to let them know that **\$15 billion is not enough** to support the child care system. Congress needs to provide the full \$50 billion in emergency child care support passed by the House in the Child Care is Essential Act.

June State Budget vs SB 820 Budget Trailer Bill

Item	Enacted State Budget (June)	CHANGES in SB 820 Budget Trailer Bill
CARES Act Funding	<p>\$62.5 million for one-time child care provider stipends (AP & CalWORKs providers)</p> <p>\$62.5 million to cover hold harmless</p> <p>\$8 million to extend the family fee waiver to June 30, 2020</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>\$50 million rollover for Essential Worker Child Care vouchers into FY 20-21</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; remaining \$31.25 million to cover 14 additional non-operational days (for a total of 24)</p> <p>Family fee waiver extended from September 1 – June 30, 2021 for families where ALL children enrolled in subsidized care remain at home, either for distance learning or for families sheltering in place (July & August family fees previously waived for all families)</p>

June State Budget vs SB 820 Budget Trailer Bill

Item	Enacted State Budget (June)	CHANGES in SB 820 Budget Trailer Bill
Child Care Trigger	<p>\$300 million provided if new federal funds:</p> <ul style="list-style-type: none"> • \$50 million for CSPP to increase capacity • \$25 million to assist licensed child care providers with costs associated with reopening due to COVID-19 • \$125 million for stipends for state-subsidized child care providers operating during COVID-19 • \$100 million for vouchers to extend child care services for prioritized families 	<p>\$300 million provided if new federal funds:</p> <ul style="list-style-type: none"> • \$30 million for CSPP to increase capacity for 2 yrs • \$15 million in stipends for licensed child care providers • \$90 million for stipends for all subsidized child care providers with increased cost-of-care expenses incurred during COVID-19 • Remaining funds shifted to: <ul style="list-style-type: none"> • \$30 million for family fee waiver extension • \$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 (related to non-op days)