

An act to amend Sections 10229 and 10229.4 of the Welfare and Institutions Code, relating to childcare.

SECURED
COPY



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

SECTION 1. Section 10229 of the Welfare and Institutions Code is amended to read:

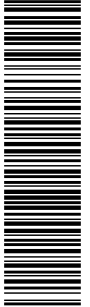
10229. The reimbursement for alternative payment programs shall include the cost of ~~child care~~ childcare paid to ~~child care~~ childcare providers plus the administrative and support services costs of the alternative payment program. The total cost for administration and support services shall not exceed an amount equal to ~~17.5~~ 19 percent of the total contract amount. The administrative costs shall not exceed the costs allowable for administration under federal requirements, and shall include, but not be limited to, costs associated with the dissemination of information on developmental screenings, including information on existing resources and a description of how a family or eligible child care provider may utilize those resources to obtain developmental screenings, as described in Section 9858c of the Title 42 of the United States Code.

SEC. 2. Section 10229.4 of the Welfare and Institutions Code is amended to read:

10229.4. If the market rate survey is used to set reimbursement rates, the following shall apply:

(a) Payments made by the Migrant Alternative Payment Program shall not exceed the applicable market rate ceiling.

(b) The reimbursement for the Migrant Alternative Payment Program shall include the cost of childcare paid to childcare providers plus the administrative and support services costs of the Migrant Alternative Payment Program. The total cost for administration and support services shall not exceed an amount equal to ~~21~~ 22.5 percent of the total contract amount. The administrative costs shall not exceed the costs allowable for administration under federal requirements.



LEGISLATIVE COUNSEL'S DIGEST

Bill No.
as introduced, _____.
General Subject: Childcare: alternative payment programs.

Existing law, the Child Care and Development Services Act, administered by the State Department of Social Services, establishes a system of childcare and development services for children up to 13 years of age. Existing law requires the department to contract with local contracting agencies for alternative payment programs for childcare services to be provided throughout the state. Existing law defines "alternative payment program" as a local governmental agency or nonprofit organization that has contracted with the department, or a migrant alternative payment program, to provide alternative payments and to provide support services to parents and providers. Existing law requires the reimbursement for an alternative payment program to include the cost of childcare paid to childcare providers plus the administrative and support services of the alternative payment program. Existing law limits the total cost for the administration and support services to 17.5% of the total contract amount.

Existing law states the intent of the Legislature, beginning July 1, 2025, to cease using a regional market rate survey, as specified, and instead use an alternative methodology, as defined, for the purpose of informing the setting of future childcare rates. Existing law requires, if the market rate survey is used to set reimbursement rates, payments made by the Migrant Alternative Payment Program not to exceed the applicable market rate ceiling and the reimbursement to include the cost of childcare paid to childcare providers plus the administrative and support services costs of the Migrant Alternative Payment Program, not to exceed 21% of the total contract amount.

This bill would revise the total cost for administration and support services for alternative payment programs from 17.5% to 19% of the total contract amount, and the total cost for administration and support services for the Migrant Alternative Payment Program pursuant to the market rate survey from 21% to 22.5% of the total contract amount.

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

