#### CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

#### **EXECUTIVE SUMMARY**

### CHILD CARE BULLETIN (CCB) NO. 25-29

The purpose of this CCB is to provide guidance to counties and child care and development contractors regarding the distribution of cost of care plus payments to child care providers pursuant to SB 151.



# CALIFORNIA HEALTH & HUMAN SERVICES AGENCY **DEPARTMENT OF SOCIAL SERVICES**

744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov



November 21, 2025

CHILD CARE BULLETIN (CCB) NO. 25-29

**GUIDANCE TYPE: DIRECTIVE** 

TO: ALL COUNTY WELFARE DIRECTORS

ALL COUNTY CHILD CARE COORDINATORS

ALL CHILD CARE AND DEVELOPMENT CONTRACTORS

SUBJECT: COST OF CARE PLUS RATE PAYMENTS TO CHILD CARE

PROVIDERS PURSUANT TO SENATE BILL 151

APPLICABLE

PROGRAMS: CALIFORNIA ALTERNATIVE PAYMENT PROGRAMS (CAPP)

MIGRANT ALTERNATIVE PAYMENT PROGRAMS (CMAP) CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CALWORKS), STAGES ONE, TWO (C2AP), AND

THREE (C3AP)

THE EMERGENCY CHILD CARE BRIDGE PROGRAM FOR

FOSTER CHILDREN (BRIDGE PROGRAM)

GENERAL CHILD CARE AND DEVELOPMENT PROGRAMS

(CCTR)

FAMILY CHILD CARE HOME EDUCATION NETWORKS (CFCC) MIGRANT CHILD CARE AND DEVELOPMENT PROGRAMS

(CMIG)

CHILD CARE AND DEVELOPMENT PROGRAMS FOR CHILDREN WITH SEVERE DISABILITIES (CHAN)

REFERENCE: SENATE BILL (SB) 151; SENATE BILL (SB) 120;

TITLE 5 OF THE CALIFORNIA CODE OF REGULATIONS (5)

CCR) SECTION 18065:

WELFARE AND INSTITUTIONS CODE (WIC) SECTION 10421(b);

<u>WIC SECTION 10277.1; WIC SECTION 10227.5;</u> <u>WIC SECTION 10424.5; WIC SECTION 10426;</u> WIC SECTION 10277.2; ASSEMBLY BILL (AB) 378 (CHAPTER 385, STATUTES OF 2019);
THE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE STATE OF CALIFORNIA AND THE CHILD CARE PROVIDERS UNITED UNION

## **Purpose**

The purpose of this Child Care Bulletin (CCB) is to notify and provide guidance to counties and child care and development contractors of the continuation of the perchild, monthly cost of care plus payments and the one-time per child payments issued to family child care providers pursuant to <u>Senate Bill (SB) 151</u>.

#### Background

Effective January 1, 2020, Assembly Bill (AB) 378 (Chapter 385, Statutes of 2019) authorized family child care providers, defined in Welfare and Institutions Code (WIC) Section 10421(b) as child care providers who participate in a state-funded early care and education program and are either licensed family child care home operators or license-exempt providers who provide early care and education in their own home or in the home of the child receiving care, to meet and confer with the state regarding matters within the scope of representation. Matters within the scope of representation can be found in WIC Section 10424.5. Family child care providers chose Child Care Providers United (CCPU) to act as their union representative, and CCPU was subsequently certified by the Public Employment Relations Board.

On August 7, 2025, the State and CCPU reached an agreement that was ratified on September 22, 2025, and remains in effect until July 1, 2028.

SB 120 (Early Childhood Education and Child Care, Chapter 13, Statutes of 2025) authorized the continuation of cost of care plus rate payments to child care centers, including an increased adjustment, through June 30, 2026. Effective September 17, 2025, SB 151 (Early Childhood Education and Child Care, Chapter 108, Statutes of 2025) extends the payment of the monthly cost of care plus rate, including the increase.

#### Guidance

Pursuant to WIC section 10277.1, as amended by SB 151, family child care providers shall receive an increased Cost of Care Plus Rate payment commencing January 1, 2026, and through June 30, 2026. Commencing July 1, 2026, the monthly Cost of Care Plus Rate payments shall continue. Timely payment provisions under WIC section 10277 remain in effect.

#### Payments for Family Child Care Providers

Pursuant to the agreement between the State and CCPU and WIC sections 10277.1, 10277.2, and 10426(c), family child care providers will continue to receive a monthly per-child Cost of Care Plus Rate payment intended to supplement subsidized child care reimbursement. In addition, family child care providers shall receive an increased cost of care plus payment commencing January 1, 2026. Family child care providers shall receive, in addition to the Cost of Care Plus Rate payments, a one-time payment to account for the cost of care plus rate increase consistent with SB 151 for the payment months of July 2025 through December 2025.

Payments to child care providers continue in July 2025, with the payment based on the service month June 2025.

Family child care providers should be reimbursed at the new rate for December 2025 enrollments, following submission of December documentation in January 2026. This is consistent with past practices. Prior cost of care plus rate payments were made for attendance records or invoices covering December 2023 through May 2025, and the cost of care plus rate applied from January 1, 2024, through June 30, 2025. The rate began in January 2024, and payments have consistently reflected the previous month's enrollments. If payment was made using a rate that differs from the rate listed below, agencies must issue a supplemental payment.

The amount per child varies based on the county where the family child care provider is located and the assigned "region", defined as:

<u>Central</u>: Fresno, Inyo, Kern, Kings, Madera, Mariposa, Merced, Monterey, Sacramento, San Benito, San Joaquin, San Luis Obispo, Stanislaus, Tulare

<u>Northern</u>: Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Mendocino, Modoc, Mono, Nevada, Placer, Plumas, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Tuolumne, Yolo, Yuba

<u>Southern</u>: Imperial, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, Ventura

Los Angeles: Los Angeles

<u>Bay Area</u>: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma

Per-child plus rate amounts shall be as follows:

Region	Licensed Family Child Care Providers	License-Exempt Providers
Central	\$140	\$98
Northern	\$141	\$99
Southern	\$160	\$112
Los Angeles	\$171	\$119
Bay Area	\$211	\$148

These payments shall be payable to child care providers serving children enrolled in the following child care and development programs:

- California Alternative Payment Programs (CAPP)
- Migrant Alternative Payment Programs (CMAP)
- Family Child Care Home Education Networks (CFCC)
- California Work Opportunity and Responsibility to Kids (CalWORKs)
   Stages One, Two (C2AP), and Three (C3AP)
- The Emergency Child Care Bridge Program for Foster Children (Bridge Program)
- General Child Care and Development Programs (CCTR)
- Migrant Child Care and Development Programs (CMIG)
- Child Care and Development Programs for Children with Severe Disabilities (CHAN)

The California Department of Social Services (CDSS) will distribute funding for these payments to the child care and development contractors via the State Controller's Office outside of their regular contracts. Funding will be issued to contractors quarterly and reconciled thereafter.

Alternative Payment Programs (APPs) administering the Bridge Program, CalWORKs Stage One, C2AP, C3AP, CAPP, CFCC, or CMAP shall continue to provide the extended per-child payments directly to child care providers starting with the June 2025 service month that is processed in July 2025 and conclude with the May 2028 service month that is processed in June 2028. The CCTR and CMIG contractors that enroll children cared for in a Family Child Care Home Education Network (FCCHEN) setting shall provide the per-child payments directly to child care providers starting with the June 2025 service month that is processed in July 2025. Otherwise, CCTR, CMIG, and CHAN contractors will retain the monthly stipends as a supplement to their contract.

### Cost of Care Plus One-Time Payment

Family child care providers who were paid based on April 2025 enrollments shall receive a one-time payment for the increased reimbursement consistent with SB

120, in addition to the cost of care plus payment in the chart above to account for payment months of July 1, 2025, through December 31, 2025. Family child care providers who were paid based on April 2025 enrollments shall receive, no later than January 1, 2026, a one-time per child payment for each child enrolled in April 2025 as follows:

Region	Licensed Family Child Care Providers	<u>License-Exempt</u> <u>Providers</u>
<u>Central</u>	<u>\$72</u>	<u>\$54</u>
Northern	<u>\$78</u>	<u>\$54</u>
Southern	<u>\$84</u>	<u>\$60</u>
Los Angeles	<u>\$90</u>	<u>\$66</u>
Bay Area	<u>\$114</u>	<u>\$78</u>

### New Cost of Care Plus Rates

Effective January 1, 2026, the per-child cost of care plus rate amounts shall be as follows:

Region	Licensed Family Child Care Providers	<u>License-Exempt</u> <u>Providers</u>
Central	<u>\$152</u>	<u>\$107</u>
Northern	<u>\$154</u>	<u>\$108</u>
Southern	<u>\$174</u>	<u>\$122</u>
Los Angeles	<u>\$186</u>	<u>\$130</u>
Bay Area	<u>\$230</u>	<u>\$161</u>

#### Instructions for Contractors

Contractors are encouraged to make Cost of Care Plus Rate payments, including the one-time payment, with their regular subsidy payments to providers and to clearly label the Cost of Care Plus Rate payments. Contractors are required to make the payments within 21 calendar days of the submission of a complete monthly attendance record or invoice, as specified in <u>WIC section 10227.5</u>.

For providers participating in a family child care home education network, reimbursement shall be made within 21 calendar days of the submission of a daily sign-in and sign-out sheet, as specified in <u>5 CCR section 18065</u>.

At any time subsequent to January 1, 2026, if the monthly payments are made in which a provider becomes licensed or changes licensed capacity during the month, contractors should apply the higher rate to the payment for that month. If a child receives care from more than one provider during the month, each provider shall receive the full per-child payment. Contractors are instructed not to pro-rate the Cost of Care Plus Rate payments due to care beginning or ending mid-month.

Union dues are required to be deducted from the ongoing Cost of Care Plus Rate payments in accordance with instructions issued by the California Department of Human Resources (CalHR) pursuant to <u>CCB 23-01</u>. Consistent with past practice, one-time payments are not subject to union dues deduction.

Contractors shall provide the payment directly to eligible child care providers and will not be subject to the regular reporting requirements associated with their child development contracts.

#### Administrative Allocation

Contractors who are required to distribute the Cost of Care Plus One-Time Payment outlined above will receive an administrative amount equal to 5% of the funds distributed.

Contractors who are required to distribute monthly Cost Care Plus Rate payments to family child care providers will receive an administrative amount for each payment that they make. Contractors will therefore receive an additional allocation of the administrative amount, based on the schedule below for perenrollment payment administrative costs. The contractor must not reduce the monthly per-child payment amount that the contractor issues to a family child care provider:

Per Enrollment Cost of Care Plus Rate Administrative Amounts				
Region	Licensed Family Child Care Admin.	License-Exempt Admin.		
Central	\$14.00	\$9.80		
Northern	\$14.10	\$9.90		
Southern	\$16.00	\$11.20		
Los Angeles	\$17.10	\$11.90		
Bay Area	\$21.10	\$14.80		

## Instructions For Counties in Which CalWORKs Stage One and Bridge Programs Are Administered Directly by the County

In counties where the CalWORKs Stage One and/or Bridge Programs are administered in-house by the county and where no business relationship exists between the CalWORKs Stage One/Bridge Program child care provider and an APP, Child Development Associates (CDA) in San Diego County will issue payments to those providers directly.

The requirement to make payments within 21 calendar days of the submission of a complete monthly attendance record or invoice does not apply to payments issued by CDA.

Counties are required to submit a copy of the mRec or aRec Reconciliation Report that is regularly submitted to CCPU by the 5th business day of each month to CDA via secure file transfer protocol (instructions to follow). The first submission will be due on the 5th business day of July 2025. The reconciliation reports will include the following data fields:

- LocalMemberID
- VendorNumber
- VendorLocalID
- FirstName
- LastName
- Street
- City
- State
- Zip Code
- Phone Number
- Gross Reimbursements (all payments)
- Dues Deduction Rate
- Dues Deduction (Gross Reimbursement x Dues Deduction Rate)
- Dues Max \$ (Cap per month)
- COPE PEOPLE

- COPE PEOPLE Collected
- Notes
- Check 1 Date
- Check 1 Number
- Check 2 Date
- Check 2 Number

The CDSS will retrieve monthly provider data payment and child count data directly from counties or, where applicable, via the California Statewide Automated Welfare System, also known as CalSAWS. The CDSS will provide that data directly to CDA on a monthly basis.

The payment and child count data will include the following data fields:

- County Vendor ID
- The Local Provider Identification number (VendorLocalID)
- Provider last name, first name
- Unique identifier (SSN or EIN)
- Facility Address: Street field, city field, zip code field
- Mailing Address: Street field, city field, zip code field
- Phone number
- Email address
- License number and capacity
- Provider type (license, center, FCC, or FFN)
- Child count (number of attendance records paid in the payment month per provider)
- Month of County/Stage 1 Bridge Payment
- Copy of provider W9 forms, if available
- Language
- County Contact person
- County-Region

#### Reporting Requirements

Contractors must maintain records of payments issued to individual child care providers, as well as the dates the payments are distributed, and must be able to submit them to CDSS upon request. When directly requested, reports should be delivered by the requested timeline to prevent delays in Cost of Care payments to providers. The increased administrative allowance available for these payments is intended, in part, to help support contractors in fulfilling these data requirements.

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For questions regarding the information in this letter, contact the Child Care and Policy Development Bureau at (916) 657-2144 or at <a href="https://creativecommons.org/cc/2014/">CCPB@dss.ca.gov</a>.

Sincerely,

## Original Document Signed By

LUPE JAIME-MILEHAM, EdD Deputy Director Child Care and Development Division