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Management Bulletin 26-06

This Management Bulletin provides guidance to California State Preschool Program contractors of reimbursement based requirements on enrollment for fiscal year 2026-27.

Early Education Division

Subject: Reimbursement Based on Enrollment beginning Fiscal Year 2026–27

Number: 26-06

Date: June 2026

Expires: Until Rescinded

Authority: *California Education Code (EC) 8245.5, EC Section 8205 (g)*

Attention: Executive Directors and Program Directors of all California State Preschool Programs

Purpose

This Management Bulletin (MB) notifies and provides guidance to California State Preschool Program (CSPP) contractors of the requirements for reimbursement based on enrollment for fiscal year (FY) 2026–27.

Policy

Pursuant to *EC* Section 8245.5(g), beginning July 1, 2026, the contract reimbursement amount shall be based on the least of the following:

- The maximum reimbursable amount stated in the contract.
- Net reimbursable program costs.
- The product of the adjusted child days of enrollment for certified children times the contract rate.

Directives for Implementation

Reimbursement

Beginning July 1, 2026, CSPP contractors will be reimbursed based on the least of the following:

- The maximum reimbursable amount stated in the contract;
- Net reimbursable program costs; or
- The product of the adjusted child days of enrollment for certified children times the contract rate.

Contract Reporting Changes

With the change to contract reimbursement beginning July 1, 2026, the California Department of Education (CDE) will require contractors to submit the following documentation electronically with each Enrollment, Attendance, and Fiscal report:

- General ledger that includes all revenue and expenditures reported to the CSPP contract. Contractors may choose to only submit the sections that reflect all CSPP-related transactions;
- Financial document that summarizes all revenue and expenditures reported to the contract (e.g. profit and loss statement or balance sheet); and
- The enrollment and attendance register that summarizes all certified enrollment and attendance reported to the contract (e.g. Form CD 9400).

The CDE will use this information for contract compliance purposes, including to ensure that data reported aligns with support documentation and identify where technical assistance may be most beneficial as the CSPP transitions to a new reimbursement model.

On a quarterly basis, CDE will also randomly sample reported information and may request additional documentation from the contractor. This process is intended to provide contractors with targeted technical assistance to help contractors adhere to reporting requirements and maximize their contract earnings.

More information on how to submit these documents to the CDE will be forthcoming.

Program Closures

If a CSPP contractor is required to close any site(s), classroom(s), or family childcare home(s) that are affiliated with an approved CSPP family childcare home education network (FCCHEN) due to circumstances beyond the contractor's control, the CSPP contractor shall follow the guidance for emergency closures in order to be credited for any day(s) of operation and child days of attendance for those closures.

Reimbursement for Providers Who Serve Children Through CSPP FCCHENs

Notwithstanding any other law, reimbursement for full-day and part-day California state preschool FCCHEN providers through July 1, 2028, shall be based on the maximum certified hours of care for all families, including families certified for a variable schedule, regardless of attendance.

CSPP contractors who provide services through a FCCHEN are to ensure providers obtain all applicable parent signatures on attendance records prior to reimbursement to providers for services rendered.

Background and Authority

Senate Bill 140 amended *EC* Section 8245.5, which required that beginning July 1, 2023, to June 30, 2025, inclusive, if a program is open and operating in accordance with their approved program calendar and remains open and offering services through the program year, the contract reimbursement amount shall be based on the lesser of the contract maximum reimbursable amount or the net reimbursable program costs.

On June 27, 2025, SB 120 passed and amended *EC* 8245.5, to extend the reimbursement flexibilities (hold harmless) policy through June 30, 2026. For the FY 2025–26 fiscal year contract reimbursement is based on the lesser of the contract maximum reimbursable amount or the net reimbursable program costs, as long as the program remains open and operating in accordance with its approved program calendar and providing services to certified children throughout the program year.

Notwithstanding any other law, reimbursement for full-day and part-day California state preschool FCCHEN providers for July 2026 through July 1, 2028, shall be based on the maximum certified hours of care for all families, including families certified for a variable schedule, regardless of attendance.

Pursuant to *EC* Section 8245.5, beginning July 1, 2026, reimbursement will transition to an enrollment-based model. Contract reimbursement shall be based on the lesser of the contract maximum reimbursable amount, net reimbursable program costs, or the product of the adjusted child days of enrollment multiplied by the contract rate, provided the program remains open, operates in accordance with its approved program calendar, and provides services throughout the program year.

Resources

If you have programmatic questions related to this MB, please contact your assigned EED, Program Quality Implementation (PQI) office regional consultant. The EED, PQI regional consultant directory web page can be accessed at <https://www.cde.ca.gov/sp/cd/ci/assignments.asp>.

If you have fiscal questions about the information in this email, please contact your assigned CDE Early Education Nutrition and Fiscal Services fiscal analyst. The fiscal analyst directory can be accessed at the following link: <https://www.cde.ca.gov/fg/aa/cd/faad.asp>

This Management Bulletin is mandatory only to the extent that it cites a specific statutory or regulatory requirement, and is not prescriptive, pursuant to California *EC* 33308.5.

Questions: Early Education Division | 916-322-6233

Last Reviewed: Monday, June 22, 2026