

May 11, 2026

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

**EXECUTIVE SUMMARY**

**CHILD CARE BULLETIN (CCB) NO. 26-10**

The purpose of this Child Care Bulletin (CCB) is to inform the California Work Opportunity and Responsibility to Kids Stages Two and Three contractors of initial contract allocations for Fiscal Year 2026-27.



JENNIFER TROIA  
DIRECTOR

GAVIN NEWSOM  
GOVERNOR

May 11, 2026

CHILD CARE BULLETIN (CCB) NO. 26-10

GUIDANCE TYPE: FISCAL

TO: ALL COUNTY CHILD CARE COORDINATORS  
ALL CHILD CARE AND DEVELOPMENT CONTRACTORS

SUBJECT: **FISCAL YEAR 2026-2027 CALIFORNIA WORK OPPORTUNITY  
AND RESPONSIBILITY TO KIDS INITIAL CONTRACT  
ALLOCATIONS**

APPLICABLE PROGRAMS: CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO  
KIDS STAGES TWO AND THREE

REFERENCE: WELFARE AND INSTITUTIONS CODE (WIC) SECTIONS  
[10227.5](#), [10372](#), [10372.5](#); CHILD CARE BULLETIN (CCB) [21-21](#);  
[CCB 23-17](#); [CCB 24-11](#); [CCB 25-12](#)

### **Purpose**

The purpose of this Child Care Bulletin (CCB) is to inform the California Work Opportunity and Responsibility to Kids (CalWORKs) Stage Two (C2AP) and Stage Three (C3AP) contractors of Fiscal Year (FY) 2026-27 initial planning contract allocations. Please note that award amounts are proposed, and any changes based on Budget Act enactment may be communicated in a forthcoming Budget Act amendment CCB. Contracts will be provided on a flow basis as soon as possible. Funding Terms and Conditions are located on the [Contractor Resources](#) webpage.

## Background

CalWORKs families receiving Stage One Child Care move to Stage Two when the County Welfare Department (CWD) determines they are “stable,” or when the parent(s) or legal guardian(s) is/are discontinued from cash aid. Families can remain in Stage One or Stage Two until they have been discontinued from cash aid for 24 months. Stage One funding is available to CWDs as an entitlement to eligible CalWORKs families and funding is claimed through CDSS’ County Expense Claim (CEC), not through contracts. Refer to [County Fiscal Letter 21/22-08](#) for more information about claiming reimbursement for Stage One Child Care. The California Department of Social Services (CDSS) contracts with Alternative Payment Program (APP) agencies to administer Stage Two pursuant to [Welfare and Institutions Code \(WIC\) Section 10372](#). For additional information on the Stage Two program, please refer to the Program Requirements for CalWORKs Stage Two.

Families that have exhausted 24 months of CalWORKs Stage One or CalWORKs Stage Two Child Care after they have been off cash aid transition to Stage Three Child Care. This program provides care if funding is available and if the family's income remains at or below 85 percent of the state median income. The CDSS contracts with APP agencies to administer this program pursuant to [WIC Section 10372.5](#). For additional information on the Stage Three program, please refer to the Program Requirements for CalWORKs Stage Three. While counties are not reimbursed for Stage Two and Three programs through CDSS’ CEC, counties are required to identify their costs for these programs to the CalWORKs Stage Two and Stage Three Child Care Program Codes in the CEC. Refer to the latest version of the Program Code Descriptions Manual on the [CFL page of the CDSS website](#) for the more information about the Stage Two Child Care and Stage Three Child Care codes.

As voucher-based programs, Stages Two and Three programs are reimbursed on the Regional Market Rate (RMR) schedule. The RMR ceilings are the maximum amounts that voucher-based child care providers can be reimbursed from the state for subsidized child care. Effective January 1, 2022, the RMR ceilings were established at the greater of either of the following:

- The 75th percentile of the 2018 Regional Market Rate (RMR) survey for that region.
- The Regional Market Rate ceilings that existed in that region on December 31, 2021.

For additional information regarding the RMR ceiling changes effective January 1, 2022, please review [Child Care Bulletin \(CCB\) 21-21](#) and the [Reimbursement Ceilings for Subsidized Child Care webpage](#).

## Guidance

The annual Budget Act requires CDSS to adjust Stages Two and Stage Three contract amounts during the contract period to ensure that funds are distributed proportionally to need. The Department periodically reviews reported fiscal and caseload data to determine projected earnings and amends contracts as needed. This review may result in either an augmentation or a reduction to the contract's Maximum Reimbursable Amount (MRA). The process in which CDSS augments or reduces a contract is outlined in the Fiscal Handbook.

Over the years, the Department has used different methodologies to determine Stage Two and Stage Three Initial Allocations. For FY 2023-24, projected earnings were used to establish the initial allocation amounts for both C2AP and C3AP contracts. For additional information, please refer to [CCB 23-17](#).

For FY 2024-25, the total Stage Two budget increased due to projected statewide caseload growth, while the total Stage Three budget decreased due to projected statewide caseload decline. Of the total Stage Two budget amount, individual C2AP contract allocations were based on the higher of the total 2023-24 MRAs or projected contract earnings, with additional funding provided to reflect statewide caseload growth. Of the total Stage Three budget amount, individual C3AP contract allocations were based on the lower of the total 2023-24 MRAs or projected contract earnings, and adjusted to reflect statewide caseload decline. For additional information, please refer to [CCB 24-11](#).

In FY 2025-26, the total Stage Two budget increased due to a projected statewide caseload growth, while the total Stage Three budget decreased due to projected statewide caseload decline. Initial allocations for both individual C2AP and C3AP contracts were based on either the total 2024-25 MRAs or projected contract earnings. Individual C2AP contract allocations were adjusted by projected statewide caseload growth, while individual C3AP contract allocations were adjusted by projected statewide caseload decline. For additional information, please refer to [CCB 25-12](#).

For FY 2026-27, the total Stage Two and Stage Three budget increased due to projected statewide caseload growth. To better align allocations with projected contract earning levels and support contractors experiencing caseload growth, the initial contract allocations for both C2AP and C3AP are based on each contractor's projected earnings, which was adjusted upwards for contractors projected to experience caseload growth. The Department will continue to review projected earnings, as mentioned above.

## Claiming

As a reminder, MRAs are comprised of multiple funding sources. Each funding source's corresponding Service Location (SL) is provided in each contractor's annual child care contract. Reimbursements are processed through a system-generated percent-to-total

for each contract, which is comprised of multiple SLs. Contractors are encouraged to review the SL information and funding details in their local agreements and this CCB.

Attachment I displays the initial contract allocation for the Stage Two contracted programs. Stage Two programs are funded with a combination of Child Care and Development (CCDF) Title XX and General Fund. Stage Two program costs should be claimed to the following SLs:

<b>Service Location Code</b>	<b>Code Title</b>	<b>Federal Catalog Number</b>
24178	TANF Tnsfr to Title XX-CCDF C2AP	93.667
13367	C2AP – General Fund	N/A

Attachment II displays the initial contract allocation for the Stage Three contracted programs. Stage Three programs are funded with CCDF and General Fund. Stage Three program costs should be claimed to the following SLs:

<b>Service Location Code</b>	<b>Code Title</b>	<b>Federal Catalog Number</b>
23881	C3AP – CCDF Discretionary	93.575
25452	C3AP – CCDF Matching	93.596
13024	C3AP – General Fund	N/A

For further information about fiscal reporting and claiming for voucher-based Child and Development programs, please refer to the most recently published Enrollment, Attendance, and Fiscal Reporting and Reimbursement Procedures for Child Care and Development Contracts, commonly referred to as the Fiscal Handbook, located on the [Fiscal Resources webpage](#).

If you have questions or need additional guidance regarding the information in this letter, please contact the Child Development Fiscal Services inbox at [ChildDevelopmentFiscal@dss.ca.gov](mailto:ChildDevelopmentFiscal@dss.ca.gov).

Sincerely,

***Original Document Signed By***

RAYMOND ULIASSI, Chief  
Fiscal Forecasting Branch  
Finance and Accounting Division

Attachments

**FISCAL YEAR 2026-27**  
**INITIAL ALLOCATION FOR THE CALWORKS STAGE TWO PROGRAM (C2AP)**

<b>AGENCY CODE</b>	<b>AGENCY NAME</b>	<b>TOTAL MAXIMUM REIMBURSABLE AMOUNT</b>
000000B325	BANANAS INC	\$2,631,152
000000B376	COMM CHILD CARE COORD CNCL OF ALAMEDA	\$6,665,006
000000B388	HIVELY	\$3,360,233
000000U243	THE DAVIS ST COMM CNTR INC	\$3,223,448
000000N852	VALLEY OAK CHILDRENS SERVICES INC	\$2,470,750
000000X675	THE RESOURCE CONN OF AMADOR & CALAVERAS	\$462,654
0000001006	COLUSA COE	\$237,362
000000H860	COCOKIDS, INC.	\$2,632,758
0000002207	CONTRA COSTA CO EMPL/HUMAN SVC	\$3,888,581
000000X707	DEL NORTE CHILD CARE COUNCIL	\$130,858
000000N604	CNTRL VLY CHILDRENS SVCS NTWK	\$2,754,282
000000J162	SUPPORTIVE SERVICES INC	\$5,720,916
0000001011	GLENN COE	\$279,102
000000B205	CHANGING TIDES FAMILY SERVICES	\$826,519
0000001013	IMPERIAL COE	\$7,235,649
0000001014	INYO COE	\$10,317
0000001015	KERN CO SUPT OF SCHOOLS	\$10,821,182
000000P155	KINGS COMMUNITY ACTION ORG INC	\$3,337,298
0000001018	LASSEN COE	\$233,695
000000G090	CHILD CARE RESOURCE CENTER INC	\$109,121,177
000000N616	CHILDRENS HOME SOCIETY OF CAL	\$21,731,993
0000002187	CITY OF NORWALK	\$1,411,730
000000Y908	CONNECTIONS FOR CHILDREN	\$3,180,782
000000B749	CRYSTAL STAIRS INC	\$55,908,194
000000T292	DREW CHILD DEV CORP INC	\$15,541,500
000000B460	INTL INSTITUTE OF LOS ANGELES	\$378,037
000000B763	MEXICAN AMER OPP FOUNDATION	\$8,041,737
000000J852	OPTIONS FOR LEARNING	\$9,800,250
000000Y628	PATHWAYS LA	\$7,304,040
0000006490	POMONA USD	\$11,648,974
000000B509	COMM ACTION PARTNERSHIP OF MADERA CNTY	\$1,240,182
000000F228	MARIN CHILD CARE COUNCIL	\$719,225
000000B514	NORTH COAST OPPORTUNITIES INC	\$450,699
0000001024	MERCED COE	\$2,202,941
000000N984	TRAINING EMPL & COMM HELP INC	\$181,770
0000001026	MONO COE	\$100
000000B524	COMM RESOURCES FOR CHILDREN	\$463,178
000000H910	SIERRA NEVADA CHILDRENS SERVS	\$298,338
0000001030	ORANGE CO DEPT OF EDUCATION	\$5,895,566
0000001031	PLACER COE	\$2,134,710
000000N674	PLUMAS RURAL SERVICES	\$141,787
0000001033	RIVERSIDE COE	\$10,881,401
000000J388	CHILD ACTION INC	\$71,062,616
000000T007	CHILD DEVELOPMENT ASSOC INC	\$92,108,732
000000H945	YMCA OF SAN DIEGO COUNTY	\$49,842,733
0000002238	DEPT OF EARLY CHILDHOOD	\$5,921,690
000000B620	FAM RESOURCE & REFERRAL CTR OF SAN JOAQ	\$7,951,341
000000B621	COMM ACTION PARTNERSHIP OF SLO CNTY INC	\$2,423,676

**FISCAL YEAR 2026-27**  
**INITIAL ALLOCATION FOR THE CALWORKS STAGE TWO PROGRAM (C2AP)**

<b>AGENCY CODE</b>	<b>AGENCY NAME</b>	<b>TOTAL MAXIMUM REIMBURSABLE AMOUNT</b>
000000M232	CHILD CARE COORD CNCL OF SAN MATEO CNTY	\$498,116
0000002241	SAN MATEO CO HUMAN SERVICES AGENCY	\$494,228
000000B845	CHILDREN'S RESRC & REF OF SANTA BARBARA	\$1,323,581
0000001042	SANTA BARBARA COE	\$2,322,510
000000B655	CATALYST FAMILY INC.	\$1,294,373
000000X358	CHILD DEVELOPMENT INC	\$14,079,591
000000B649	GO KIDS INC	\$2,950,963
0000001045	SHASTA COE	\$3,157,520
000000J803	SISKIYOU CHILD CARE COUNCIL	\$85,009
000000B689	SOLANO FAMILY & CHILDREN'S COUNCIL INC	\$9,697,496
000000B822	COMM CC CNCL OF SONOMA CO	\$2,077,981
000000B883	RIVER TO COAST CHILDREN'S SVCS	\$45,909
000000N677	HUMAN RESPONSE NETWORK	\$100
0000001054	TULARE COE	\$6,469,533
000000N235	INFANT/CHILD ENRICHMT SVCS INC	\$192,066
000000B715	CHILD DEV RES OF VENTURA CO INC	\$2,761,216
<b>Total</b>		<b>\$602,361,053</b>

**FISCAL YEAR 2026-27**  
**INITIAL ALLOCATION FOR THE CALWORKS STAGE THREE PROGRAM (C3AP)**

<b>AGENCY CODE</b>	<b>AGENCY NAME</b>	<b>TOTAL MAXIMUM REIMBURSABLE AMOUNT</b>
000000B325	BANANAS INC	\$8,063,529
000000B376	COMM CHILD CARE COORD CNCL OF ALAMEDA	\$9,244,612
000000B388	HIVELY	\$3,620,748
000000U243	THE DAVIS ST COMM CNTR INC	\$2,937,002
000000N852	VALLEY OAK CHILDRENS SERVICES INC	\$3,502,689
000000X675	THE RESOURCE CONN OF AMADOR & CALAVERAS	\$310,897
0000001006	COLUSA COE	\$293,231
000000H860	COCOKIDS, INC.	\$20,090,479
000000X707	DEL NORTE CHILD CARE COUNCIL	\$95,960
000000N604	CNTRL VLY CHILDRENS SVCS NTWK	\$4,493,975
000000J162	SUPPORTIVE SERVICES INC	\$10,355,471
0000001011	GLENN COE	\$252,713
000000B205	CHANGING TIDES FAMILY SERVICES	\$431,363
0000001013	IMPERIAL COE	\$5,450,878
0000001014	INYO COE	\$143,136
0000001015	KERN CO SUPT OF SCHOOLS	\$13,806,603
000000P155	KINGS COMMUNITY ACTION ORG INC	\$3,189,319
0000001018	LASSEN COE	\$198,598
000000G090	CHILD CARE RESOURCE CENTER INC	\$109,129,588
000000N616	CHILDRENS HOME SOCIETY OF CAL	\$22,676,193
0000002187	CITY OF NORWALK	\$2,124,783
000000Y908	CONNECTIONS FOR CHILDREN	\$2,652,277
000000B749	CRYSTAL STAIRS INC	\$84,260,358
000000T292	DREW CHILD DEV CORP INC	\$14,260,861
000000B460	INTL INSTITUTE OF LOS ANGELES	\$703,773
000000B763	MEXICAN AMER OPP FOUNDATION	\$7,682,457
000000J852	OPTIONS FOR LEARNING	\$10,185,062
000000Y628	PATHWAYS LA	\$7,263,013
0000006490	POMONA USD	\$8,085,475
000000B509	COMM ACTION PARTNERSHIP OF MADERA CNTY	\$1,109,023
000000F228	MARIN CHILD CARE COUNCIL	\$1,923,978
000000B514	NORTH COAST OPPORTUNITIES INC	\$622,389
0000001024	MERCED COE	\$3,559,840
000000N984	TRAINING EMPL & COMM HELP INC	\$100
0000001026	MONO COE	\$100
000000B524	COMM RESOURCES FOR CHILDREN	\$577,125
000000H910	SIERRA NEVADA CHILDRENS SERVS	\$479,319
0000001030	ORANGE CO DEPT OF EDUCATION	\$4,042,193
0000001031	PLACER COE	\$2,040,350
000000N674	PLUMAS RURAL SERVICES	\$38,807
0000001033	RIVERSIDE COE	\$15,838,430
000000J388	CHILD ACTION INC	\$26,245,643
000000T007	CHILD DEVELOPMENT ASSOC INC	\$42,539,178
000000H945	YMCA OF SAN DIEGO COUNTY	\$19,842,867
000000B610	CHILDRENS COUNCIL SAN FRANCISCO	\$15,112,721
000000B620	FAM RESOURCE & REFERRAL CTR OF SAN JOAQ	\$11,848,843
000000B621	COMM ACTION PARTNERSHIP OF SLO CNTY INC	\$2,350,478
000000M232	CHILD CARE COORD CNCL OF SAN MATEO CNTY	\$3,210,302

**FISCAL YEAR 2026-27**  
**INITIAL ALLOCATION FOR THE CALWORKS STAGE THREE PROGRAM (C3AP)**

<b>AGENCY CODE</b>	<b>AGENCY NAME</b>	<b>TOTAL MAXIMUM REIMBURSABLE AMOUNT</b>
000000B845	CHILDREN'S RESRC & REF OF SANTA BARBARA	\$2,453,424
0000001042	SANTA BARBARA COE	\$3,547,039
000000B655	CATALYST FAMILY INC.	\$842,222
000000X358	CHILD DEVELOPMENT INC	\$15,591,268
000000B649	GO KIDS INC	\$7,346,569
0000001045	SHASTA COE	\$2,701,311
000000J803	SISKIYOU CHILD CARE COUNCIL	\$66,645
000000B689	SOLANO FAMILY & CHILDREN'S COUNCIL INC	\$7,940,516
000000B822	COMM CC CNCL OF SONOMA CO	\$2,495,360
000000B883	RIVER TO COAST CHILDREN'S SVCS	\$27,323
000000N677	HUMAN RESPONSE NETWORK	\$100
0000001054	TULARE COE	\$6,300,729
000000N235	INFANT/CHILD ENRICHMT SVCS INC	\$309,924
000000B715	CHILD DEV RES OF VENTURA CO INC	\$6,890,900
	<b>Total</b>	<b>\$563,400,059</b>