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Management Bulletin 25-11

Management Bulletin 25-11 provides guidance to California State Preschool Program (CSPP) contractors on the Cost of Care Plus Rate allocations and one-time stabilization payments.

Early Education Division

Subject: California State Preschool Program Cost of Care Plus Rate Allocations and One-Time Stabilization Payments for Family Childcare Providers and Centers

Number: 25-11

Date: November 20, 2025

Expires: Until rescinded or superseded by regulations

Authority: Senate Bill (SB) 151 (Chapter 108, Statutes of 2025); *Welfare and Institutions Code (WIC)* Section 10227.6; Agreement between the State of California and the Child Care Providers United (CCPU) Union

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

Note: This Management Bulletin (MB) rescinds and replaces MB 24-11.

Purpose

This MB notifies and provides guidance to California State Preschool Program (CSPP) contractors on the Cost of Care Plus Rate allocations and one-time stabilization payments.

Policy

SB 151 requires the California Department of Education (CDE) to issue Cost of Care Plus Rate allocations and one-time stabilization payments to all CSPP contractors.

Contractors that operate a family childcare home education network (FCCHEN) must issue Cost of Care Plus Rates and one-time stabilization payments to family childcare providers.

Implementation Directives

Cost of Care Plus Rate Allocations

The Cost of Care Plus Rate allocation is a monthly payment for providers, based on the number of children enrolled in a CSPP. These payments were issued to CSPP contractors beginning in January 2024 and will continue through June 2028. The cost of care payment amounts will be increasing, as described further in this MB.

The CDE issued the first Cost of Care Plus Rate quarterly advance in January 2024. Quarterly advances will continue to be issued to contractors at the start of each quarter to provide funding for agencies' Cost of Care Plus Rate allocations through June 2026.

Allocations are based on a per-child rate amount dependent upon the region in which the family childcare provider or center is located, as well as a 10 percent administrative fee to CSPP contractors who need to distribute payments to family childcare providers or center subcontractors, as applicable. WIC sections 10277.1(f) and 10277.2(f) specify that the 10 percent administrative fee for processing the monthly payments to family childcare providers and subcontractors will be based on the per-child rate as of June 30, 2025.

The amount per child shall be determined based on the county that the child receives services in and the assigned region is defined in the table below.

Table 1: Regions for Cost of Care Plus Rate Allocations

Region	Counties
Central	Fresno, Inyo, Kern, Kings, Madera, Mariposa, Merced, Monterey, Sacramento, San Benito, San Joaquin, San Luis Obispo, Stanislaus, and Tulare
Northern	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, and Yuba
Southern	Imperial, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura
Los Angeles	Los Angeles only
Bay Area	Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, and Sonoma

To provide funding in a timely manner, the CDE is issuing Cost of Care Plus Rates as quarterly advances to CSPP contractors. Payment advances will be reconciled using enrollment data submitted by contractors via the California Preschool Data Collection (CAPSDAC) System and the Child Development Management Information System (CDMIS). Payment advances for CSPP contractors that are local educational agencies (LEAs) will be reconciled using the monthly enrollment data submission in the CAPSDAC System. For CSPP contractors that are not CAPSDAC users (e.g. Community-Based Organizations and Community College Districts), CDMIS 801A Report enrollment data will continue to be used for payment advances and reconciliations.

Submitting accurate and correct data in a timely manner into CDMIS and CAPSDAC is critical as funding advances and true-ups are based on CDMIS and CAPSDAC data, as applicable.

Allocations for Centers

SB 120 (Chapter 13, Statutes of 2025) increased the monthly per-child amount in fiscal year (FY) 2025–26. **SB 151 amended *WIC* Section 10277.2(c)(3)(A) to specify that** the per-child amounts for centers beginning July 1, 2025, through June 30, 2026, are as follows:

Table 2: Center-Based Cost of Care Plus Rate Allocations

Region	Center Allocation Amount
Central	\$152
Northern	\$154
Southern	\$174
Los Angeles	\$186
Bay Area	\$230

Allocations for Family Childcare Providers July 1, 2025, Through December 31, 2025

Pursuant to SB 151 and the Agreement with CCPU, the per-child monthly amounts for family childcare providers between July 1, 2025, through December 31, 2025, are as follows:

Table 3: Cost of Care Plus Rate Allocations for Licensed Family Childcare Providers from July 1, 2025, Through December 31, 2025.

Region	Licensed Family Childcare Provider Allocation Amount
Central	\$140

Northern	\$141
Southern	\$160
Los Angeles	\$171
Bay Area	\$211

In addition to the monthly cost of care payments identified in Table 3, contractors shall issue family childcare providers who were reimbursed for CSPP services based on April 2025 enrollments a one-time payment for the increased reimbursement consistent with SB 151 to account for payment months of July 1, 2025, through December 31, 2025. CSPP contractors who are required to distribute these one-time payments to family childcare providers will receive a five percent administrative allocation for distributing payments.

The one-time, per-child payments for family childcare providers are based on the following amounts for each child enrolled in April 2025:

Table 4: One-time Payments to account for the increased Cost of Care Plus Payments to Family Childcare Providers for the Months of July 2025 through December 2025.

Region	Licensed Family Childcare Provider One-time Payment Amount
Central	\$72
Northern	\$78
Southern	\$84
Los Angeles	\$90
Bay Area	\$114

FCCHEN contractors are required to distribute the one-time, per-child payment to Family childcare providers who were reimbursed based on April 2025 enrollments no later than January 1, 2026.

Allocations for Family Childcare Providers Beginning January 1, 2026

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

Table 5: Cost of Care Plus Rate Allocations for Family Childcare Providers Beginning January 1, 2026

Region	Licensed Family Childcare Provider Allocation Amount
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Central	\$152
Northern	\$154
Southern	\$174
Los Angeles	\$186
Bay Area	\$230

One-Time Stabilization Payments for Providers and Centers

The CDE will be distributing funds to CSPP contractors for one-time stabilization payments.

All centers that provided CSPP services in April 2025 will receive one-time, per-child payments of \$431. Contractors that have subcontracts for CSPP services are required to issue the payments to their subcontractors that provided CSPP services in April 2025.

CSPP contractors that operate through a FCCHEN are required to distribute one-time, per-child stabilization payments of \$431 to all family childcare providers who were reimbursed for CSPP services in April 2025.

An additional five percent allocation will be issued to CSPP contractors to cover the administrative costs associated with distributing these payments to providers or subcontractors.

Requirements for Distributing Timely Payments to Family Childcare Providers and Subcontractors

Cost of Care Plus Rate Allocations

For CSPP contractors who provide services through family childcare providers operating in their FCCHEN or who subcontract with centers, there are timelines for passing along the funds to the provider or subcontractor. Specifically:

- For contractors operating a FCCHEN, per the union agreement, funds must be distributed monthly to the family childcare provider within 21 calendar days of receiving the daily sign-in/sign-out sheets, prepared in compliance with the *California Code of Regulations*, Title 5 (5 CCR) Section 17818.
- For contractors who provide services through subcontractors, funds must be distributed to subcontractors each month promptly following the last day of the month in which services are rendered. The CDE recommends these payments be made to centers who are subcontractors no later than 21 calendar days following the last day of the month in which services are rendered.

CSPP contractors that are required to distribute the per-child Cost of Care Plus Rates to providers and subcontractors must not reduce the payment to the provider or subcontractor. Per *WIC* Section 10227.6(i), rates are inclusive of base rates plus Cost of Care Plus rates, and rates cannot be lower. As such, the payment to the provider or subcontractor should be based on the per-child amounts identified in the tables above. If a child receives preschool services from more than one provider or subcontractor in a single month, each provider or subcontractor must receive the full per-child payment.

Contractors who receive an additional allocation for administrative costs may retain the amount provided for this purpose.

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.

One-Time Stabilization Payments for Providers

For CSPP contractors who provide services through family childcare providers operating in their FCCHEN and/or who subcontract with centers, there are specific timelines for passing along the funds to the subcontractor or provider, including:

- For contractors operating a FCCHEN, per the union agreement, funds are required to be distributed to the family childcare provider no later than January 1, 2026.
- For contractors who provide services through subcontractors, funds must be distributed to subcontractors promptly upon receipt of the One-Time Stabilization Payments. The CDE recommends these payments be made to centers who are subcontractors no later than 21 calendar days following receipt of funds.

Allowable Uses

Cost of Care Plus Rate allocations, one-time stabilization payments, and any administrative fees retained by the CSPP contractor are restricted funds and may only be used for any allowable expense that would be reimbursable under the CSPP contract. Contractors should review the FY 2025–26 Contract Terms and Conditions (CT&C), for more information on costs that are considered reimbursable and non-reimbursable.

While cost of care plus rate payments have been allocated outside of any CSPP contract, pursuant to *WIC* Section 10227.6(i) and (j), reimbursement rates beyond FY 2025–26 and rates established by the alternative methodology shall not be less than the contractors' current reimbursement rate, inclusive of the cost of care plus rates established in subdivision (b) of *WIC* sections 10277.1 and 10277.2.

Therefore, the **CDE highly encourages contractors, family childcare providers, and subcontractors to use these funds immediately to support CSPP program expenses and support immediate program needs**, including addressing workforce challenges (including by

increasing teacher compensation) and making investments to support serving children with disabilities, dual language learners, children with behaviors that challenge adults, and support implementation of the Classroom Assessment Scoring System (CLASS) and CLASS Environment.

Given the various workforce challenges CSPP contractors have shared, the **CDE urges CSPP contractors to consider using these funds to provide compensation to employees.** WIC includes the following language in both WIC Section 10277.1(k), which applies to family childcare, and WIC Section 10277.2(j), which applies to centers:

"Nothing in this section shall be construed to limit the authority of childcare contractors and providers to pass on rates and one-time payments pursuant to this section to their employees in the form of compensation, including, but not limited to, salaries, wages, and direct benefits."

For more information on other possible uses for these funds, please refer to the Frequently Asked Question (FAQ) on recommended uses in the CDE Allocations Paid Outside of CSPP Contract [FAQs page](#).

Expenditure Deadline

Beyond the distribution timeframes, there is no deadline for contractors and subcontractors/family childcare providers to expend Cost of Care Plus Rate allocations or one-time stabilization payments. While there is no deadline to expend the funding from these allocations, the CDE highly encourages contractors, subcontractors, and family childcare providers to use these funds immediately to support CSPP program expenses and support immediate program needs, including addressing workforce challenges (including through addressing compensation) and making investments to support serving children with disabilities, dual language learners, and children with behaviors that challenge adults; along with implementing CLASS and CLASS Environment.

Reporting

Cost of Care Plus Rate allocations and one-time stabilization payments retained by the CSPP contractor must be used to support the CSPP. As such, these allocations shall be reported on the California Preschool Accounting Reporting Information System (CPARIS) Enrollment, Attendance, and Fiscal Reports in the same manner as other funding received to support the CSPP. Cost of Care Plus Rate allocations and one-time stabilization payments are restricted income and should be reported under "Restricted Income: Other Revenue." These funds should only be reported when the associated expenditures are also reported.

Payments made to family childcare home (FCCH) providers should be reported in the Fiscal section of the Enrollment, Attendance, and Fiscal Reports under "Direct Payments to Providers: FCCH only." Payments made to subcontractors should be reported under "Direct Payments to Subcontractors: Cost of Care Plus & One-Time Allocations Only." Administrative costs associated with distributing

payments to providers and subcontractors should not be reported as a direct payment to providers or subcontractors. Contractors should report these administrative costs under the applicable expenditure categories 1000–5000.

Background and Authority

WIC Section 10424.5(a) authorizes a certified provider organization to collectively bargain with the state on various topics including, but not limited to reimbursement rates and rate add-ons for providers.

Pursuant to the Public Employment Relations Board Certification SA-PC-1-N, the State recognizes CCPU as the certified provider organization as defined by *WIC* Section 10421(a), and as the exclusive negotiating agent for all family childcare providers as defined by *WIC* Section 10421(b).

On August 7, 2025, the state and the CCPU arrived at a Memorandum of Understanding (MOU) effective through July 1, 2028. This MOU includes Cost of Care Plus Rate allocations for family childcare providers.

SB 151 (Chapter 108, Statutes of 2025) ratified the Agreement between the State of California and CCPU and included language in *WIC* specifying the applicable processes for family childcare home allocations pursuant to the MOU (*WIC* Section 10277.1) while also extending the Cost of Care Plus rate to centers, who are not represented by the union, in *WIC* 10277.2.

Resources

If you have programmatic questions related to this MB, please contact your assigned EED, Program Quality Implementation (PQI) office regional consultant on the CDE EED, PQI [Consultant Regional Assignments](#) web page.

If you have fiscal questions about the information in this email, please contact your assigned CDE Early Education Nutrition and Fiscal Services (EENFS) fiscal apportionment analyst on the [EENFS Fiscal Analyst](#) web page.

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

Questions: Early Education Division | 916-322-6233

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