Senate Budget and Fiscal Review—Mark Leno, Chair

SUBCOMMITTEES No. 1 and 3

Senator Marty Block, Chair
Senator Benjamin Allen
Senator John M. W. Moorlach

Senator Holly Mitchell, Chair
Senator William Monning
Senator Jeff Stone, Pharm.D

Thursday, April 14, 2016
9:30 a.m. or Upon Adjournment of Session
State Capitol, Room 4203

Consultants: Samantha Lui and Elisa Wynne

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GOVERNOR'S BUDGET

The budget includes $3.6 billion total funds ($948 million federal funds; $1.7 billion Proposition 98 General Fund; and $998 million non-Proposition 98 General Fund) for child care and early education programs. For specific information by program, see tables below.

Child Care and Preschool Budget
(Dollars in Millions)

Program	Governor's Budget
CalWORKs Child Care	
Stage 1	$394
Stage 2	$422
Stage 3	$316
Subtotal	**$1,132**
Non-CalWORKs Child Care	
General Child Care	$450
Alternative Payment	$255
Other	$31
Subtotal	**$736**
Preschool-Age Programs	
State Preschool	--
Transitional Kindergarten	--
Preschool Quality Rating Improvement System Grant	--
Proposed Block Grant	$1,654
Totals	**$3,600***

*$3.6 million reflects the subtotals plus an additional $79 million for support programs.

2016 Child Care and Preschool Subsidized Slots

Program	Description	2015 Budget Act	Proposed Slots for 2016-17	Percent Change
CalWORKs (based on estimated caseload)				
Stage 1	Provides cash aid and services to eligible families. Begins when a participant enters CalWORKs.	44,154	42,995	-3%
Stage 2	When the county deems a family "stable." Participation in Stage 1 and/or Stage 2 is limited to two years after an adult transitions off cash aid.	50,971	49,777	-2%
Stage 3	When a family expends time limit in Stage 2, and as long as family remains otherwise eligible.	35,845	36,335	1%
Subtotals for CalWORKs child care		**130,970**	**129,107**	**-1%**
Non-CalWORKs (based on proposed number of slots to be funded)				
General Child Care	State and federally-funded care for low-income working families not affiliated with CalWORKs. Serves children from birth to 12 years old.	28,738	42,134	47%
Alternative Payment	State and federally-funded care for low-income working families not affiliated with CalWORKs. Helps families arrange and make payment for services directly to child care provider, as selected by family.	32,852	29,344	-11%
Migrant Care	Serves children of agricultural workers.	3,060	3,064	0%
Care for Children with Severe Disabilities	Provides supervision, therapy, and parental counseling for eligible children and young adults until 21 years old.	105	105	0%
Subtotals for non-CalWORKs care		**64,755**	**74,647**	**15%**

Preschool and TK programs				
State Preschool	Part-day (PD) and full-day (FD) care for 3 and 4-year old children from low-income families.	98,956 PD 58,504 FD	0	-100%
Transitional Kindergarten	Eligible children are 5 years old between Sept. 2 and Dec. 2.	83,000	0	-100%
Early Ed. Block Grant	Restructures funding for above programs into a to-be-defined block grant.	0	251,409	100%
Subtotals for Preschool/TK programs		**240,460**	**251,409**	**5%**
Total		**436,185**	**455,163**	**4%**

Source: Legislative Analyst's Office 2016

The Governor's proposed changes for early education and child care are more fully discussed in the following agenda issues.

6100 DEPARTMENT OF EDUCATION
5180 DEPARTMENT OF SOCIAL SERVICES

Issue 1: Governor's Budget: Early Care and Education Block Grant

Panelists: Jessica Holmes, Department of Finance
Virginia Early, Legislative Analyst's Office

Budget Issue. The Governor's budget proposes to consolidate Proposition 98 funding from California State Preschool Program (CSPP) ($880 million), transitional kindergarten (TK) ($725 million Proposition 98 General Fund), and the Preschool Quality Rating and Improvement System Grant (QRIS) ($50 million Proposition 98 General Fund) tocreate a $1.65 billion block grant, intended to benefit low-income and "at-risk" preschoolers, as locally defined. Funds from the new block grant would be appropriated to local educational agencies (LEAs) and, potentially, other entities that currently offer CSPP to operate a developmentally-appropriate preschool program. According to the Administration, the proposal would build on the tenets of the Local Control Funding Formula (LCFF) and distribute funding based on factors, such as population and need, to ensure funds are equitably distributed to schools with large populations of disadvantaged children. The budget provides a hold-harmless provision, ensuring that no LEA will receive less funding under the block grant than under prior funding models. Of note, the proposal does not move funds currently supporting the wrap component of full-day state preschool provided by non-LEAs into the block grant. In addition, the Governor's proposal does not shift $33 million in CSPP funds that support preschool programs at 55 community colleges.[1]

The Governor's budget includes placeholder trailer bill language, which will be refined in the May Revision.

Background. Since February 2016, the Administration has hosted four stakeholder meetings to solicit feedback on the following: (1) who will be prioritized for services and how to define eligibility criteria and "at risk" children; (2) program structure, such as class size, teacher ratios, and curriculum; (3) role of private providers; (4) distribution of future funding; and (5) accountability measures. In addition to the stakeholder meetings, the Administration provided a period of public comment, via mail and e-mail, which ended March 15, 2016. In general, the Administration noted that most comments centered on the following key themes: local governance, continued role for private providers, regional income eligibility issues, quality, and the transition period. The Administration indicates they will refine their proposal and provide additional detail in the May Revision, based on feedback received from the stakeholder meetings.

In response to requests from stakeholders, the Administration provided additional clarity in the spring on a limited set of topics. On timing, the Administration makes clear its goal to establish a programmatic structure for the Block Grant as part of trailer bill for the 2016 Budget Act, and a year of transition time is anticipated in 2016-17, before full implementation takes place in 2017-18. The

[1] Care offered at community colleges are often preschool programs for community college students' children, and also serve as a lab school for students training to become teachers or aides.

Administration also notes its intention to hold harmless the Proposition 98 guarantee for any statewide average daily attendance changes, due to the block grant proposal and that early education program reforms are needed before additional funding is provided to the system.

LAO Analysis. The LAO is generally supportive of the proposal to simplify the preschool program by consolidating fund sources and programs and focusing on low income, at risk, and disabled children. However, the LAO suggests the Governor’s proposal, which allows local determination of income eligibility, may result in different levels of service for similar children across the state. Finally, the LAO notes that the Governor’s proposal to hold LEAs harmless in funding would lock-in funding levels not currently based on need, which may undermine the Administration’s goal of moving to funding based on need.

The LAO recommends the state create a system that includes:

- One consolidated funding stream that includes state preschool, transitional kindergarten, QRIS, as well as the $33 million in preschool funds that support preschool programs at community colleges.

- Specific eligibility criteria for students served by the new preschool block grant. The LAO suggests a reasonable approach would be to provide preschool to all four-year olds from families with incomes below 185 percent of the federal poverty level or who are otherwise at risk, or have a disability.

- Funding allocated to providers based on the number of eligible children participating in the program. Any hold harmless provision under this scenario would be transitional in nature.

- Options for full-day preschool programs for children from low-income working families, and a streamlined eligibility verification process that occurs annually at the beginning of the school year.

- Program requirements for the inclusion of developmentally-appropriate activities in preschool programs, and minimum staffing requirements, such as teachers must have some education in child development.

- Basic reporting requirements for providers to collect student demographic information such as race, gender, family income and disability status.

As part of any restructuring proposal, the LAO notes that the Legislature would need to consider who will provide services, how funds will be disbursed, what system of oversight and accountability should be put in place, and depending on the system, how to best transition from the current system.

Staff Comments. Absent the detail anticipated in the May Revision, the subcommittees may be unable to fully consider the Early Childhood Education Block Grant proposal. Instead, the subcommittees may wish to consider broad principals of how to construct an intentional and intuitive early care system. In particular, the last two budgets included significant investments in supporting quality programs, including professional development opportunities for instructors and aides. The subcommittees may wish to consider how accountability measures, linked to quality, that ensure developmentally-appropriate curriculums, enriching environments for children, and support for professionals can be included in budget discussions.

In addition, the Administration's proposal distinguishes the provision of child care and early education, stating that "child care is to support the gainful employment of working families", while noting that the goals of the Early Education Block proposal include implementing pre-kindergarten education programs. As academic literature supports the social, cognitive, and developmental benefits of investing in early childhood interventions, advocates and early education professionals have invested heavily in incorporating more developmentally-appropriate curriculum, and supporting instructors in the child care system. The subcommittees may wish to consider how these differing perspectives on child care may influence the tenor of the proposal's development.

Staff Recommendation. Hold open for further discussion.

6100 DEPARTMENT OF EDUCATION
5180 DEPARTMENT OF SOCIAL SERVICES

Issue 2: Oversight: AB 104 Report on Streamlining Child Care and Early Education Systems

Panelists: Virginia Early, Legislative Analyst's Office
Debra Brown, CDE

Background. Assembly Bill 104 (Budget Committee), Chapter 13, Statutes of 2015, a budget trailer bill, directed members of the Alternative Payment Program Stakeholder Group and the Direct Service Program Providers Stakeholder Group, with the facilitation of the California Department of Education (CDE), to provide finalized recommendations to the Legislature, by April 1, 2016, to streamline data and other reporting requirements for child care and early learning providers that contract with the CDE to provide state preschool and other state subsidized child care and early learning programs under the *California Code of Regulations*, Title 5. The recommendations include:

- Create a single-reimbursement rate system based on the most recent regional market rate (RMR) that includes provisions for variance in cost across regions and has a hold harmless component.

- Move from a child care contract system to a grant system with a five year cycle for application, monitoring and technical assistance.

- Provide for twelve-month eligibility. This means that a lead agency shall re-determine eligibility for services no sooner than twelve months after the initial determination.

- Simplify definitions for parent employment to full-time (30 or more hours per week) and part time (less than 30 hours per week). Create additional categories for fixed and variable work schedules.

In addition the group recommended a series of changes to the reimbursement structure, contracting process, documentation process for families, and determination of need eligibility. Many of these changes are identified as changes that could be made with no cost.

Staff Comments and Recommendation. The item is included for discussion purposes, and no action is needed at this time.

Questions

1. Please describe CDE's existing authority to implement specified provisions. Which recommendations need legislative action? What may be done through regulations?

6100 DEPARTMENT OF EDUCATION
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Issue 3: Governor's Budget - TBL: Child Care Vouchers

Panel I: Jessica Holmes, Department of Finance
Virginia Early, Legislative Analyst's Office
Debra Brown, California Department of Education

Panel II: Catherine Goins, Assistant Superintendent, Early Education and Administration, Placer County Office of Education
Rick Richardson, President and CEO, Child Development Associates, Inc., San Diego

*Panel II will address Issues 1 and 3

Budget Issue and Trailer Bill Language. The Governor's budget proposes trailer bill language that requires the Department of Education to develop a plan to transition, over the next five years, contracted funding into vouchers. Approximately two-thirds of California's child care is voucher-based care, meaning a voucher is provided to a family who chooses its own provider.

LAO Analysis.

- **Creates flexibility.** The Governor's voucher proposal would create additional flexibility for families in selecting the child care setting that best meets their needs and that a conversion to voucher over an extended period, such as the five years proposed by the Governor would minimize disruption to the families and providers.

- **Possible loss of slots.** However, the LAO also notes the proposal may result in a loss of slots for children who need developmentally-appropriate care, as providers accepting vouchers are not required to include developmentally-appropriate care. Converting to vouchers would be more expensive than the current contract system and the LAO estimates an additional $25 million to $70 million, depending on what type of care families chose.

The LAO is supportive of the Governor's proposal to have CDE develop a transition plan, but recommends providing additional parameters. Specifically, the LAO recommends that in year one, the state create a new reimbursement rate structure, monitoring system, program standards, and regulations. In year two, the state would apply the rate to existing voucher slots, beginning converting contract slots to vouchers, begin equalizing services across the state, create a new central eligibility list and provide one-time funds to support implementation. In years three to five the state would complete the conversion of slots and equalization of services.

In addition, the LAO recommends to:

- Create one voucher-based system for general child care and migrant child care.

- Prioritize migrant child care, either in one voucher system or to be served in a stand-alone voucher system.

- Require all centers and family child care homes that serve children from birth through age three, provide developmentally-appropriate activities.

- Direct CDE to develop standards for children birth through age three.

- Provide similar levels of access across the state. The LAO provides two options: 1) adjust funding levels to serve the same level of eligible families in each county, or 2) adjust funding to serve all families under a certain percentage of state median income (SMI).

- Make eligibility criteria and reimbursement rates transparent. This would include linking eligibility to the most recent SMI information (LAO recommends the 65 percentile of the 2014 SMI) and creating one reimbursement system that includes three tiers to reflect cost differences between counties.

- Establish oversight and accountability measure to provide information for policymakers and stakeholders, such as a new central eligibility list to track demand for child care and regional monitoring systems to inspect and monitor centers and family child care homes.

Staff Comments. The Legislature may wish to consider how this proposal will impact access and affordability of care for families, that may currently, despite similar characteristics, receive different funding and opportunities. The state's current rate reimbursement structure poses challenges to transparency, quality, and efficiency. Despite recent investments to the reimbursement rates for both voucher-based care (RMR) and for direct-contractors (SRR), providers indicate that they are still at-risk of closing. The Legislature may wish to consider how to create a funding structure that recognizes the quality investments of a given program, and also provides parents with clear information on the actual value amount of the voucher.

Also, the CDE indicates it may need additional information, such as timeline, detail, and what broad components should be included in the plan, from the Administration. The Legislature may wish to consider incorporating the learned lessons from the AB 104 workgroup (discussed on page 9) to this proposed trailer bill process.

Staff Recommendation. Hold open for further discussion.

6100 DEPARTMENT OF EDUCATION
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Issue 4: Federal Child Care and Development Block Grant

Panelists: Jessica Holmes, Department of Finance
Virginia Early, Legislative Analyst's Office
Debra Brown, CDE
Debra McMannis, Director of Early Education and Support Division, CDE
Pat Leary, Department of Social Services
Kim Johnson, Department of Social Services

Background. The Child Care and Development Block Grant (CCDBG) supports subsidized child care programs, direct service, and alternative payment contract types, including CalWORKs Stage 3 and General Child Care. In 2015-16, California received $573 million in CCDBG funding and Department of Finance estimates that in 2016-17, the state will receive $583 million. On November 19, 2014, President Obama reauthorized the CCDBG. Some of the provisions of the reauthorized CCDBG include: annual monitoring inspections of both licensed and license-exempt providers; implementing 12-month eligibility for children in subsidized child care; increasing the Regional Market Rate to the reimbursement ceilings identified in the most recent market rate survey; increasing opportunities for professional development; adding topics to health and safety trainings; and creating a disaster preparedness plan. Most, but not all of the provisions became effective when the reauthorization was signed.

Although California may have several years to implement these changes, some policies and practices were intended to be in place by March 2016. The Office of Child Care (OCC) formally extended the submission of the 2016-18 Child Care Development Fund State Plan until March 11, 2016 – an extension from the original due date of June 30, 2015. Pursuant to the reauthorization of CCDBG, the state must also document its level of compliance, and plans for compliance, with new federal requirements. However, there remains concern that the federal block grant funds are insufficient to meet new requirements and to maintain current service levels.

State Plan. Each state must complete a triennial CCDF State Plan, which describes how requirements are met, or the process by which states plan to meet the requirements. Traditionally, the State Plan is due to the federal OCC by June 30 every other year. Given the unique circumstances of this reauthorization year, the federal government has granted all states a nine-month extension to March 1, 2016. A first draft of the 2016-18 State Plan was posted on the California Department of Education's (CDE) Web site in late 2015. In order to gather stakeholder and public input on the 2016-18 CCDF State Plan, a public hearing was held on January 9, 2015. A stakeholder input process was initiated in February 2015, to obtain feedback from the field of child care providers, contractors and advocates as to how they would like the implementation to take shape, and what structures exist to support implementation in an efficient and cost-effective manner. Topical input sessions related to the major areas of implantation (annual licensing inspections, professional development, etc.) were hosted at the California Department of Education to solicit information and feedback. CDE submitted the state plan to the OCC on March 11, 2016. Based on an initial review, the state plan was returned as incomplete. CDE is currently working with their federal liaisons to determine next steps.

Examples of policy changes. Numerous policy changes included in the reauthorization pose significant potential policy shifts and budgetary action, including:

- Regional Market Rate (RMR) Survey. All states must conduct a statistically valid and reliable survey of the market rates for child care services every two years that reflects variations in the cost of child care services by geographic area, type of provider, and age of child. States must demonstrate how they will set payment rates for child care services in accordance with the results of the market rate survey. AB 104 (Budget Committee), Chapter 13, Statutes of 2015, beginning October 1, 2015, requires CDE to implement ceilings at the 85th percentile of the 2009 Regional Market Rate Survey, reduced by 10.11 percent, then increased by 4.5 percent. If a calculated ceiling is less than the ceiling provided before January 1, 2015, then the ceiling from the 2005 Regional Market Survey will be used. The licensed-exempt child care provider ceilings will be 65 percent of the Family Child Care Home ceilings, beginning October 1, 2015. Guidance from the Office of Child Care (OCC), dated March 25, 2015, suggests that states must use the most current market rate survey to set rates.

- Annual Monitoring Inspections. In California, the Department of Social Services Community Care Licensing (CCL) issues licenses for child care facilities. Many providers are license-exempt, such as neighbors, kith, or kin. The CCDBG reauthorization requires that licensed providers and facilities paid for with CCDF funds must receive at least one pre-licensure inspection for compliance with health, safety, and fire standards, as well as annual unannounced inspections of each child care provider and facility in the state for compliance with all child care licensing standards. License-exempt providers and facilities must have at least one annual inspection (Section 658E(c)(2)(K)(i)). Currently, CCL must visit a facility at least once every three years – a frequency that does not meet the new federal requirement. Currently, there is not a state agency charged with conducting inspections of homes of the approximately 32,000 license-exempt providers in the state.

- 12-Month Eligibility. The reauthorization of CCDBG includes a new provision, Protection for Working Parents, in which a minimum period of 12-month eligibility will be available for each child that receives assistance. States must also establish a process for initial determination and redetermination of eligibility to take into account irregular fluctuations in earnings; not unduly disrupt parents' employment in order to comply with state requirements for redetermination; and develop policies and procedures to allow for continued assistance for children of parents who are working or attending a job training or education program and whose family income exceeds the state's income limit to initially qualify for assistance if the family income does not exceed 85 percent of the State median income.

  Existing state law[2] allows for 12-month eligibility for child care services. However, Section 18102 of the Title 5 Regulations requires contractors to inform families of the family's responsibility to notify the contractor within five calendar days of any changes in family income, family size, or the need for services. There is some debate as to whether California's current eligibility provisions will meet the new federal requirement.

[2] California Education Code Section 8263(b)(1)(C)

Many of the changes required to meet federal standards would require legislative action, and CDE is currently working with federal officials on how to proceed with the state plan. At this point, CDE reports the federal government has not yet indicated what sanctions, if any, will be placed on the state in the case of non-compliance. Finally, CCDBG statute allows for states to request waivers if they are unable to comply with federal requirements under specified circumstances. CDE continues to pursue possible waiver options.

Staff Comment. In light of significant federal changes, and absent additional federal funding to implement policies, the Legislature may wish to consider how families' access may be adversely impacted by these requirements; how these requirements align with priorities for child care and early education and the Governor's proposed plans; and how CDE should move forward with responding to requests from the federal government for specific state actions.

Staff Recommendation. This item is informational and included for discussion. No action is required at this time.

Questions

1. LAO/DOF: How much does the state receive in CCDBG funding? How much of this funding, by percentage, represents the state's total child care budget?

2. CDE: Please describe recent conversations with the federal Region IX. Are other states in a similar situation as California?

3. DOF: How does CCDBG impact, or inform, the structure of the Governor's budget proposals?

6100 DEPARTMENT OF EDUCATION
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Issue 5: Oversight: CalWORKS Child Care

Panelists: Todd Bland, Deputy Director of the Welfare-to-Work Division, Department of Social Services
Kim Johnson, Branch Chief, Child Care and Refugee Program, DSS
Ryan Woolsey, Legislative Analyst's Office
Tyler Woods, Department of Finance
Frank Mecca, County Welfare Directors Association

Background. AB1542 (Ducheny), Chapter 270, Statutes of 1997, eliminated seven former welfare-related childcare programs and consolidated them into the three-stage CalWORKs child care programs. CalWORKs child care seeks to help a family transition smoothly from the immediate, short-term child care needed as the parent starts work or work activities to stable, long-term child care. CalWORKs Stage 1 is administered by the county welfare departments; Stages 2 and 3 are administered by Alternative Payment Program (APP) agencies under contract with CDE. The three stages of CalWORKs child care are defined as follows:

- Stage 1 begins with a family's entry into the CalWORKs program. Clients leave Stage 1 after six months or when their situation is "stable," and when there is a slot available in Stage 2 or 3.

- Stage 2 begins after six months or after a recipient's work or work activity has stabilized, or when the family is transitioning off of aid. Clients may continue to receive child care in Stage 2 up to two years after they are no longer eligible for aid.

- Stage 3 begins when a funded space is available and when the client has acquired the 24 months of child care after transitioning off of aid (for former CalWORKs recipients).

Historically, caseload projections have generally been funded for Stages 1, 2, and 3 in their entirety – although Stage 3 is not technically an entitlement or caseload-driven program. There had been considerable turmoil in the Stage 3 program since Governor Schwarzenegger first vetoed all of its funding in 2010. In 2011, the program was effectively capped.

Staff Comments. Child care advocates and the Legislature have expressed concern about the consistently low utilization rates for CalWORKs child care. Although CalWORKs Stage 1 and Stage 2 – and effectively, Stage 3 – are funded entitlements, the statewide utilization rate, based on the number of Welfare-to-Work (WTW) participants with an age-eligible child, is at most, only 30 percent.[3] Contributing factors to the low rate remain unclear. A typical anecdote that attempts to account for this is: when a family first applies into the CalWORKs program, the client uses kith or kin to care for the child during initial appointments; and, after stable employment is identified and when care is needed, to avoid complicated paperwork, a client may choose to keep his or her pre-existing arrangement with

[3] Total number of Stage 1 and Stage 2 families that receive TANF/number of adults participating in a WTW activity with an age-eligible child.

kith or kin and receive care, outside of the CalWORKs child care. As such, previous recommendations from the child care community include offering child care at various points during a client's interaction with the CalWORKs program, including during the initial Online CalWORKs Assessment Tool (OCAT), which is a universal initial assessment provided to clients to identify any possible barriers. DSS notes that a forthcoming RAND study (interim results expected by Spring 2016) will provide more information about child care use.

The chart (below) displays statewide allocations versus expenditures of counties' single allocation for FY 2014-15. In it, child care appears under-expended, despite its current allocation.

FY 2014-15	Allocation	Expenditures*	% of Allocation Spent	2.5% Adjustment**	Adjusted % of Allocation Spent
Eligibility Admin	$517,836,763	$619,885,076	119.17%	$635,382,203	122.70%
Child Care	$374,241,198	$311,223,552	83.16%	$319,004,141	85.24%
Cal Learn	$25,834,000	$25,463,619	98.57%	$26,100,209	101.03%
Employment Services	$1,025,856,124	$819,441,381	79.88%	$839,927,416	81.88%
Total	**$1,943,768,085**	**$1,776,013,628**	**91.37%**	$1,820,413,969	**93.65%**

* As of the report date, only two quarters of adjustment claims have been submitted by the counties so the amounts reflected here in the expenditures column may increase.
** CDSS assumes an additional 5% in expenditures from the adjustment claims process, so a 2.5% adjustment is made here to reflect the remaining two quarters of claims.

In discussions with DSS, the department states funding amounts are not related to a higher or lower utilization rate. With respect to the above data, DSS cautions from drawing conclusions that a county is not providing child care due to redirecting administrative funding or other areas of costs. In county-by-county data, staff finds that some counties do overspend in administrative costs and underspend in child care, while other counties overspend in child care. To compound the issue, counties can ensure needs are met through mid-year redistributions of the single allocation.

Staff Recommendation. This item is informational and included for discussion. No action is required at this time.

Questions

1. DSS: What action is the department undertaking to improve, and better understand, the causes and effects of a low CalWORKs Stage 1 caseload utilization? Are there common themes the department has observed that can be addressed to improve utilization?

2. CWDA: Last year, the subcommittees discussed a number of other CalWORKs changes that could have contributed to low utilization rates. What practices have been incorporated since last year to improve clients' ability to access child care?

3. DSS: If not funding, by what other measures can the state determine whether a county is effectively offering child care (e.g., at the appropriate time) for families, and that families have the information needed to effectively access care?

6100 DEPARTMENT OF EDUCATION
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Issue 6: Proposals for Investment

The subcommittees received the following budget requests for consideration. For context, in addition to the following proposals, the Budget Subcommittee No. 3, on April 21, 2016, will consider proposals that assist foster parents and caregivers access subsidized child care.

6A. California Legislative Women's Caucus

Panelist: Senator Hannah Beth Jackson, District 19, Chair, California Legislative Women's Caucus

Budget request. The Legislative Women's Caucus requests funding to improve access and quality of child care and early learning. Specifically, the request includes (1) one-time quality and support investments; (2) increase license-exempt rates from 65 percent to 80 percent; (3) increase RMR to the 85^{th} percentile of the 2014 survey; (4) increase SRR rates in counties where the SRR is below the 85^{th} percentile of the 2014 RMR survey; (5) ensure 12-month eligibility and update income guidelines; and (6) 25,000 slots, with emphasis for zero to three year olds.

6B. 12-month eligibility, SMI, rates, slots

Panelist: Patti Prunhuber, Senior Policy Attorney, Child Care Law Center

Budget request. The Child Care Law Center "supports the full $800 million in child care and early education requested by the Legislative Women's Caucus," including (1) adopting a 12-month eligibility period; (2) updating the state median income (SMI) eligibility guidelines to the more recent SMI and exit ceilings to 85 percent of the SMI; (3) expand infant/toddler slots by 25,000; (4) increase all reimbursement rates and transition to a single rate structure; and (5) increase license-exempt rates from 65 percent to 80 percent.

6C. Early Care and Education Apprenticeship

Panelist: Dion Aroner, SEIU

Budget request. SEIU requests $1.4 million General Fund, over three years, to fund a three-year pilot to fund training and wage increases for 150 participants (center-based workers, licensed family child care providers, and license-exempt providers) in Los Angeles County. The participants may access free college-level coursework, receive paid job training, and receive higher levels of credentials.

6D. Consumer Education Database

Panelist: Linda Asato, California Child Care Resources & Referral (R&R) Network

Budget request. Children Now, the R&R Network, and Child Care Alliance of Los Angeles request one-time $15 million General Fund to build a consumer education and child care enrollment system and to fix existing data inconsistencies. Specifically, the funding will be to create a website; include disaster preparedness functions to notify child care providers of emergencies and communications with emergency response teams for parents who are unable to contact providers; and build out county-level centralized eligibility lists.

6E. License Exempt Rates

Panelist: Donna Sneeringer, Director of Government Relations, Child Care Alliance of Los Angeles

Budget request. The Child Care Alliance of Los Angeles proposes to increase the licensed family child care rate and adopt accompanying trailer bill language to require CDE and DSS align all components, including the part-time hourly rate, of license-exempt care with statutory requirements.

6F. Quality Rating Improvement System (QRIS)

Panelist: Erin Gabel, Deputy Director, External & Government Affairs, First 5 California

Budget request. Children Now and First 5 California request increasing the QRIS block grant by $25 million and to make permanent, and augment from $25 million to $35 million, the infant toddler QRIS block grant.