

How Subsidized Early Care & Education Programs Work

The Administration for Children and Families (ACF) is the second largest agency within the federal government's Department of Health and Human Services. ACF administers more than 60 programs with a budget of over \$50 billion. They partner with states, communities and individual organizations to help families achieve prosperity and independence. In California, 3/5 of children under 13 live in families where parents work or are in school. This means that child care in our state is critical to child, family and community success with millions of dollars in subsidy payments going through every year. Local state dollars combined with the \$2.3 billion from federal contributes to Early Care & Education.

In general, subsidized child care services are available to eligible families who meet local and/or state requirements. [Figure 1](#) shows how the money comes from ACF + State of California and [Figure 2](#) describes each program and basic eligibility/qualifications.

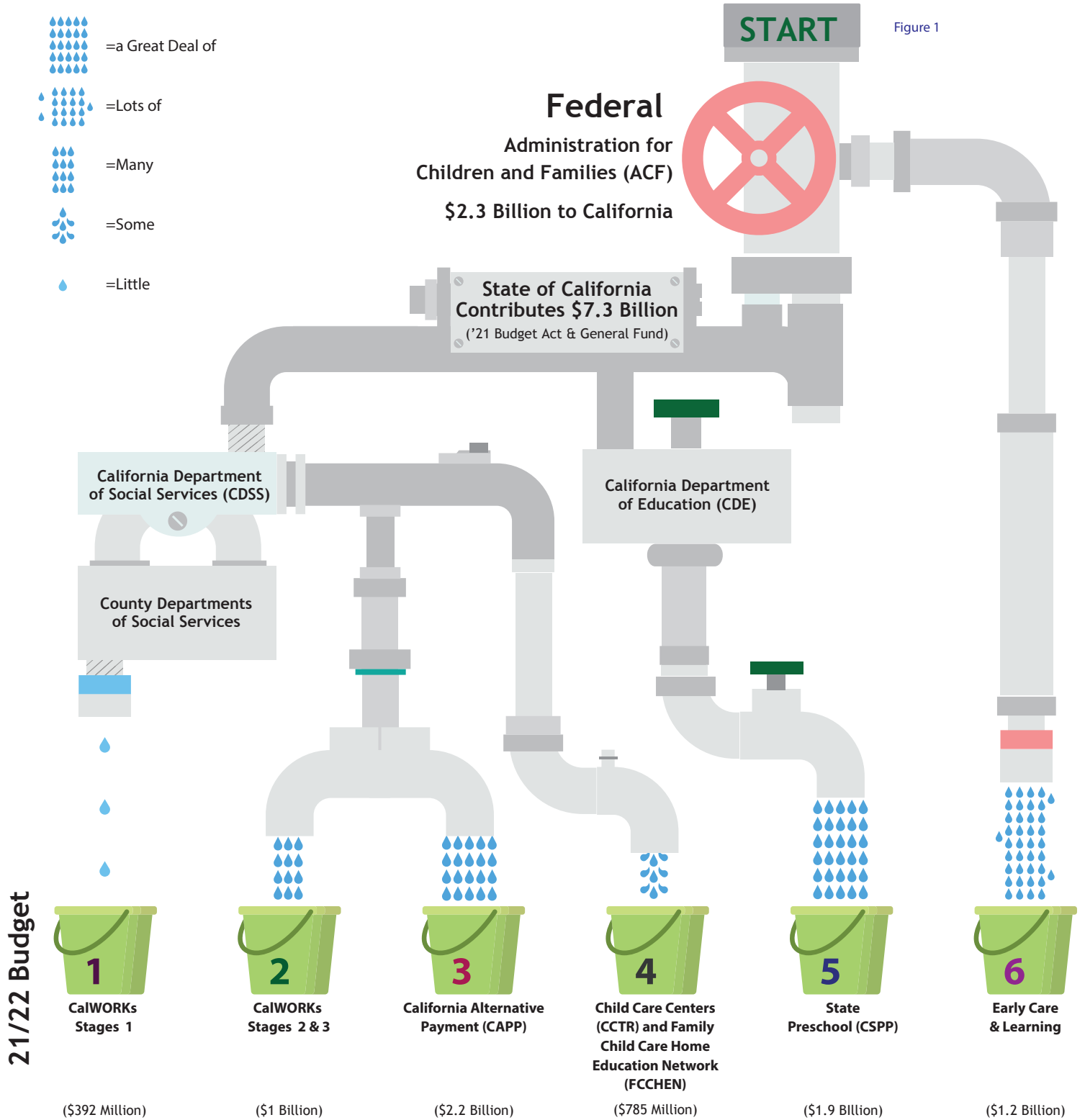


Figure 1

21/22 Budget

Direct to Locals

Figure 2

California Subsidized Early Care & Education Programs 2022

PROGRAM AREA

REVENUE TYPE

<p>1 CalWORKs Stage 1</p> <ul style="list-style-type: none"> Child care funded by TANF, California Department of Social Services (CDSS) - Administered by Counties Child care subsidy voucher for parents who qualify based on active component and eligibility Eligible if currently on, or have recently been on, cash aid; in program until they exceed eligible family income level Children birth through age 12 or through age 18 with special needs Parent chooses provider; licensed exempt, licensed family child care, or center
<p>2 CalWORKs Stages 2 & 3</p> <ul style="list-style-type: none"> Child care funded through California Department of Social Services (CDSS), TANF, General Fund Non Prop 98, CCDBG Child care subsidy voucher for parents who qualify based on need and eligibility; in program until they exceed eligible family income level Eligible if currently on cash aid or terminated from cash aid within 24 months (Stage 2); eligible if terminated from cash aid for 24 months or more (Stage 3) Children birth through age 12 or through age 21 with special needs Parent chooses provider; licensed exempt, licensed family child care, or center
<p>3 California Alternative Payment (CAPP)</p> <ul style="list-style-type: none"> Child care funded by California Department of Social Services (CDSS), General Fund Non Prop 98, CCDBG Funding limited by state budget, may not have funds available Child care subsidy voucher for parents who qualify based on eligibility and need Eligibility based on family income; lowest income funded first; in program until they exceed eligible family income Children birth through age 12 or through age 21 with special needs Parent chooses provider; licensed exempt, licensed family child care, or center (CAPP)
<p>4 Child Care Centers (CTTR) and Family Child Care Home Education Network (FCCHEN)</p> <ul style="list-style-type: none"> Quality early care and education; CCTR ages 3 month to 5 years; CCTR full-day, full-week Parents qualify based on family income with lowest family income chosen first; eligible until family exceeds maximum family income Parent chooses from a list of approved and funded licensed centers or from a list of approved family child care home education providers (FCCHEN)
<p>5 State Preschool (CSPP)</p> <ul style="list-style-type: none"> Quality early care and education; CSPP ages 3 & 4 years old; CSPP school half-day or school full-day, full-week of school year Parents qualify based on family income with lowest family income chosen first; eligible until family exceeds maximum family income
<p>6 Early Care & Learning</p> <ul style="list-style-type: none"> Funded by the US Office of Head Start (OHS), funding limited by contract Head Start Only: Quality early care and education; ages 2 years and 11 months through 5 yrs Parents qualify based on family income. Once in a family continues until the child ages out Parent chooses from a list of approved and funded centers, or choose home-based visits May be half or full-day, four or five days a week depending on the center Includes comprehensive family support services Program must serve a minimum of 10% children with documented disabilities (IEP) Quality early care and education for pregnant women, children ages birth - 3yrs Services may be home-based or HS operated licensed infant and toddler centers Center-based care full-day, full-year Program must serve a minimum of 10% children with documented disabilities (IFSP) Quality early care and education for children birth- 3 years old in licensed private community-based child development centers, and birth-4 years old in licensed family child care homes (combination of Head Start + subsidy) Licensed family child care homes or child care centers, full-day, full-year Education, materials and quality stipend for child care providers to improve the quality of care Program must serve a minimum of 10% children with documented disabilities (IFSP or IEP)

<p>Cost reimbursement & fee for service (hybrid): Revenue is derived from reimbursable expenditures for child care provider payments and earned for operational/administrative expenditures based upon a fixed fee per caseload. Excess revenue earned over operational/administrative expenses for the fiscal year ("unspent" or "surplus") can either be reinvested in the program in the subsequent fiscal year if approved by DPSS or returned to funder.</p>
<p>Cost reimbursement: Revenue is derived from reimbursable expenditures for child care provider payments and actual administrative and support costs not to exceed 17.5% of total contract maximum reimbursable amount (MRA) or net costs whichever is greater. Stage 2 is an entitlement program which means CDSS will augment MRA as needed during the year to fully reimburse agencies for services provided above the MRA. Stage 3 is the same but subject to availability of state funds.</p>
<p>Cost reimbursement: Revenue is derived from reimbursable expenditures for child care provider payments and actual administrative and support costs not to exceed 17.5% of total contract maximum reimbursable amount (MRA) or net costs whichever is greater. Revenue for the CAPP program is capped at the MRA approved by CDSS which must be earned over a two-year period.</p>
<p>Cost reimbursement: Revenue is derived from reimbursable expenditures for child care provider payments and actual administrative and support costs up to the contract maximum reimbursable amount (MRA). Administrative and support costs must not to exceed 30% of MRA. Revenue for these programs is capped at the MRA approved by CDSS.</p>
<p>Cost reimbursement: Revenue is derived from actual and reimbursable costs up to contract maximum reimbursable amount (MRA).</p>
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California Department of Social Services Qualify for CalWORKs cash aid	Family Size	Monthly Income	Yearly Income	State Fiscal Year 2021-22 Schedule of Income Ceilings (85 percent of State Median Income)	Family Size	Monthly Income	Yearly Income	Annual Household Income Limits (before taxes)	Family Size*	Maximum Income Level (Per Year)	*
	1	\$660	\$7,920		1-2	\$5,889	\$70,665		1	\$12,880	For households with more than eight people, add \$4,540 per additional person.
2	\$1,082	\$12,984	3	\$6,511	\$78,135	2	\$17,420				
3	\$1,342	\$16,104	4	\$7,441	\$89,297	3	\$21,960				
4	\$1,592	\$19,104	5	\$8,632	\$103,584	4	\$26,500				
5	\$1,817	\$21,804	6	\$9,823	\$117,872	5	\$31,040				
6	\$2,044	\$24,528	7	\$10,046	\$120,550	6	\$35,580				
7	\$2,246	\$26,952	8	\$10,269	\$123,230	7	\$40,120				
8	\$2,444	\$29,328	9	\$10,492	\$125,909	8	\$44,660				
9	\$2,652	\$31,824	10	\$10,716	\$128,587	9	\$49,200				
10	\$2,878	\$34,536	11	\$10,939	\$131,266	10	\$53,740				