

JANUARY 25, 2023

Overview of 2022-23 Child Care and Preschool Budget Augmentations

PRESENTED TO:

California Legislative Women's Caucus
Hon. Nancy Skinner, Chair



LEGISLATIVE ANALYST'S OFFICE

2022-23 Changes in Child Care Spending

(In Millions)

Change	Non-Proposition 98 General Fund	Federal	Proposition 64	Total
Ongoing				
Annualization of General Child Care slots initiated April 1, 2022	\$542	\$355	-\$2	\$895
Alternative Payment slots starting October 1, 2022	99	148	—	247
Annualization of rate increases initiated January 1, 2022	2	182	—	184
Child Care COLA (6.56 percent)	137	—	—	137
Healthcare benefits	100	—	—	100
Annualization of Alternative Payment slots initiated October 1, 2021	40	55	—	95
CalWORKs caseload and average cost of care adjustments	-103	44	—	-59
Bridge program for foster children slots	35	—	—	35
General Child Care slots starting April 1, 2023	13	9	—	22
Bridge program for foster children administrative funds	8	—	—	8
Subtotals	(\$873)	(\$794)	(-\$2)	(\$1,664)
One-time				
Child care facilities ^a	\$150	\$201	—	350
Stipends for subsidized child care providers	32	320	—	352
Prior year one-time funds	—	-220	—	-220
Reimbursement flexibility for voucher providers	—	108	—	108
Family fee waivers	—	136	—	136
Alternative Payment capacity grant	20	—	—	20
Paid non-operation days	2	—	—	2
Quality projects	—	-10	—	-10
Subtotals	(\$204)	(\$535)	(—)	(\$738)
Totals	\$1,077	\$1,329	-\$2	\$2,403

^a Includes reappropriated funds.

COLA = cost-of-living adjustment.



2022-23 Changes in Preschool Spending

(In Millions)

Change	General Fund			Total
	Proposition 98	Non-Proposition 98	Federal	
Ongoing				
TK attendance and rate changes	\$1,128	—	—	\$1,128
State Preschool rate increase for three-year olds	240	\$130	—	369
Annualization of State Preschool rate increases initiated January 1, 2022	166	—	\$107	274
State Preschool rate increase for students with disabilities and dual language learners	73	43	—	116
State Preschool COLA (6.56 percent)	67	33	—	100
Subtotals	(\$1,674)	(\$206)	(\$107)	(\$1,986)
One-time				
Prior year one-time funds	-\$363	-\$524	-\$99	-\$986
TK planning grants	300	—	—	300
Inclusive Early Education Expansion Grants	250	—	—	250
Preschool, TK, and Full-day Kindergarten Facility Grants	—	100	—	100
State Preschool family fee waivers	11	11	—	21
Preschool planning grants	—	18	—	18
Subtotals	(\$198)	(\$395)	(\$99)	(\$297)
Totals	\$1,871	-\$190	\$8	\$1,689

TK = Transitional Kindergarten and COLA = cost-of-living adjustment.

