



# State Has Two Child Care and Development Systems

<b>State Has Two Subsidized Child Care Systems</b>		
	<b>Voucher-Based System</b>	<b>Direct Contractor System</b>
<b>Description</b>	The California Department of Education (CDE) allocates funding to local Alternative Payment (AP) agencies. <sup>a</sup> The AP agencies issue vouchers to families, who in turn choose their own child care providers.	The CDE contracts directly with child care providers for a certain number of slots. Eligible families enroll in these subsidized slots.
<b>Programs and Estimated Number of Slots</b>	<ul style="list-style-type: none"> <li>• CalWORKs Stage 1 (45,000)</li> <li>• CalWORKs Stage 2 (65,000)</li> <li>• CalWORKs Stage 3 (25,000)</li> <li>• AP Program (33,000)</li> </ul>	<ul style="list-style-type: none"> <li>• State preschool (145,000<sup>b</sup>)</li> <li>• General Child Care (33,000)</li> <li>• Migrant child care program (3,000)</li> <li>• Severely Handicapped Program (200)</li> </ul>
<b>Types of Providers</b>	<ul style="list-style-type: none"> <li>• Licensed centers and family child care homes (FCCHs)</li> <li>• Relatives or friends providing child care without a license (“license-exempt”).</li> </ul>	<ul style="list-style-type: none"> <li>• Licensed centers and FCCHs</li> </ul>
<b>Standards</b>	Licensed providers must meet basic health and safety standards and adhere Title 22 regulations.	Must meet health and safety standards and adhere to more rigorous Title 5 regulations.
<b>Payment Rates</b>	<ul style="list-style-type: none"> <li>• Maximum voucher amounts are based on Regional Market Rates (RMR) and differ by county and age of child, with higher rates for infant/toddler care.</li> <li>• Current maximum rates for licensed providers are set at the 85<sup>th</sup> percentile of RMR, based on 2005 data. License-exempt providers can earn up to 60 percent of the region’s licensed rate.</li> <li>• Maximum monthly voucher rates for a preschool-age child in full-time licensed care range across counties from about \$650 to about \$1,110.</li> </ul>	<ul style="list-style-type: none"> <li>• Contractors are paid at a daily Standard Reimbursement Rate (SRR) for each eligible child they serve.</li> <li>• The SRR is the same in all regions of the state, with additional funds provided to centers that care for infants/toddlers and children with special needs.</li> <li>• The monthly rate for a preschool-age child in full-time care is about \$715.</li> </ul>
<p><sup>a</sup> CalWORKs Stage 1 child care is funded through the Department of Social Services, not CDE, and is administered locally by county welfare departments.</p> <p><sup>b</sup> Includes about 45,000 children funded through General Child Care program budget.</p>		