

CALIFORNIA IS CHANGING HOW IT PAYS FOR CHILD CARE!

To increase positive outcomes for children, families, and the early care and education workforce, California will be setting child care subsidy payment rates informed by the cost of care, moving away from market rates.

The California Department of Social Services (CDSS) is working with national experts, Prenatal to Five Fiscal Strategies (P5), to design and implement an [alternative methodology](#) process.

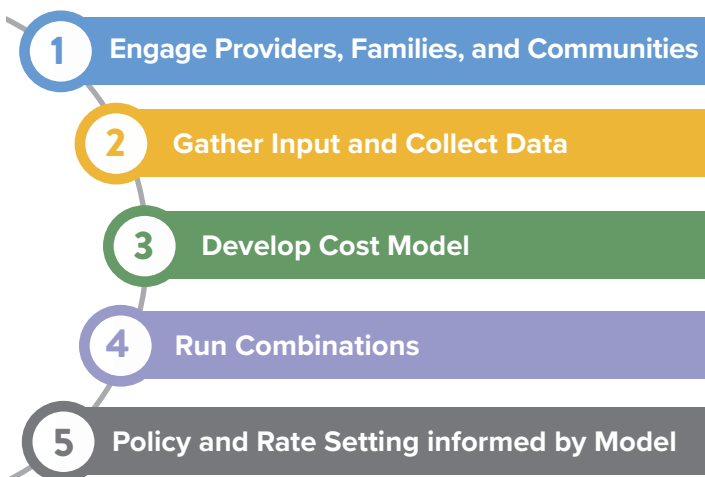
APPROACH

CA's alternative methodology process will help the State:

- Understand how much it costs providers and programs to provide care and education services.
- Develop a tool that will help estimate the cost of care based on the information collected from providers and other sources. This tool will estimate the cost of care for different types of programs using variables such as program size, geographic locations, and ages of children served.

There are Five Phases of the Alternative Methodology Process:

1. Engage with diverse families, providers, and communities.
2. Collect information through surveys, input sessions, and other sources.
3. Develop a tool that uses that information to estimate the cost of care.
4. Analyze the findings to understand variations in the cost of care.
5. Inform how the state sets rates and policies.



ENGAGEMENT

CDSS and P5 will engage and learn with the early care and education workforce, families, and partners across the State, especially with historically underrepresented racial, ethnic, and linguistic groups, in underserved geographic regions, and in marginalized communities.

To understand the true cost of care, CDSS and P5 will need input and participation from many different early care and education providers, including child care and development centers, family child care homes, tribal programs, and license-exempt family, friend, and neighbor providers as well as families. CDSS and P5 will provide many opportunities for participation throughout the five phases of the alternative methodology process.

Data will only be shared as a summary and individual program data will be kept confidential and not shared beyond P5.

Rate & Quality Advisory Panel

CDSS formed the California Rate & Quality Advisory Panel to provide the State with advice on setting child care subsidy rates. P5 is facilitating the panel meetings, which will take place every two months, are open to the public, and will include time for public comments. More information about the Panel, including meeting details and materials, and how to participate can be found below.

MORE INFORMATION

Rate and Quality Advisory Panel Meetings:
<https://cdss.ca.gov/inforesources/child-care-and-development/rate-reform-and-quality>

For information about the alternative methodology process, and to contact P5, visit
<http://www.prenatal5fiscal.org/california>