



October 19, 2020

Honorable Holly Mitchell, Chair
Joint Legislative Budget Committee
Senate Budget and Fiscal Review Committee

Honorable Phil Ting, Chair
Assembly Budget Committee

Honorable Anthony Portantino, Chair
Senate Appropriations Committee

Honorable Lorena Gonzalez, Chair
Assembly Appropriations Committee

Section 11.90—Federal Coronavirus Relief Funds (CRF): Child Care and Food Bank Support

Pursuant to the provisions of Control Section 11.90 of the 2020 Budget Act, the following report is respectfully submitted.

COVID-19 Pandemic Support for Subsidized Child Care

To address the continuing impact that the COVID-19 pandemic has had on the state's childcare system, \$110 million CRF is requested to augment state subsidized child care provider contracts, including covering the waived family fee for families not receiving in person care. Child care providers have been serving substantially more school-age children in subsidized childcare programs than anticipated due to the closure of public schools statewide. This has resulted in a shortfall of funds for many providers, leading some to consider terminating care for children of essential workers with temporary slots to avoid overspending their state contract allocation. The \$110 million CRF will increase provider contracts and allow access for more essential workers.

All CRF monies must be expended, including services delivered by December 30, 2020. The Department of Finance will use the \$110 million CRF requested above to swap out a similar amount of federal Coronavirus Aid, Relief, and Economic Security (CARES) Act Child Care and Development Block Grant (CCDBG) appropriated pursuant to Chapter 110, Statutes of 2020 for COVID-19 childcare purposes. These funds were allocated in a manner that aligns with CRF requirements such as cleaning supplies, personal protective equipment, and child care for essential workers. This swap will free up the CARES CCDBG funds, which have a longer allowable expenditure date, for the purposes listed above.

Increase Emergency Access to Food and Diapers

To mitigate increases in the need for basic necessities due to the COVID-19 pandemic induced economic crisis, up to \$90 million CRF is requested for food and diaper

supplies, as well as administrative costs necessary to meet the food needs in communities that have faced significant economic hardships caused by the COVID-19 public emergency.

Consistent with prior allocations of emergency related food assistance funding, the Department of Social Services proposes to use these funds to leverage existing Emergency Food Assistance Program providers, nonprofit Feeding America members located in California or a Feeding America partner state organization with the capacity to purchase and distribute food statewide in California to supplement the food and diaper supplies available. Of the \$90 million requested, \$15 million will be dedicated for diapers and \$75 million will support emergency food assistance from July 1, 2020 through December 30, 2020.

We request a waiver of the 10-day notification period to immediately purchase the food necessary and maintain child care slots to assist families and essential workers in the coming months.

If you have any questions or need additional information regarding these requests, please contact Brianna Bruns, Principal Program Budget Analyst, at (916) 445-0328 (child care), or Brent Houser, Principal Program Budget Analyst, at (916) 754-3990 (food banks).

KEELY MARTIN BOSLER

Director

By:



RICHARD GILLIHAN

Chief Operating Officer

cc: on following page

CC: Honorable Kevin McCarty, Chair, Assembly Budget Subcommittee No. 2
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