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WELFARE AND INSTITUTIONS CODE - WIC

DIVISION 9. PUBLIC SOCIAL SERVICES [10000 - 18999.98] (*Division 9 added by Stats. 1965, Ch. 1784.*)

PART 1.8. Child Care and Development Services Act [10207 - 10492.2] (*Part 1.8 added by Stats. 2021, Ch. 116, Sec. 260.*)

CHAPTER 11. Reimbursement Rates [10280 - 10287.5] (*Chapter 11 added by Stats. 2021, Ch. 116, Sec. 260.*)

10280. (a) The department, in collaboration with the State Department of Education, shall implement a reimbursement system plan that establishes reasonable standards and assigned reimbursement rates, which vary with the length of the program year and the hours of service.

(1) Parent fees shall be used to pay reasonable and necessary costs for providing additional services.

(2) When establishing standards and assigned reimbursement rates, the department and the State Department of Education shall confer with applicant agencies.

(3) The reimbursement system, including standards and rates, shall be submitted to the Joint Legislative Budget Committee.

(4) The department may establish any regulations deemed advisable concerning conditions of service and hours of enrollment for children in the programs.

(b) Commencing July 1, 2021, the standard reimbursement rate shall be twelve thousand eight hundred eighty-eight dollars (\$12,888) and, commencing with the 2022–23 fiscal year, shall be increased by the cost-of-living adjustment granted by the Legislature annually pursuant to Section 42238.15 of the Education Code.

(c) (1) Commencing January 1, 2022, contractors who, as of December 31, 2021, received the standard reimbursement rate established in this section shall be reimbursed at the greater of the following:

(A) The 75th percentile of the 2018 regional market rate survey.

(B) The contract per-child reimbursement amount as of December 31, 2021.

(2) (A) Commencing July 1, 2022, subject to available funding, the department may issue temporary rate increases to contractors that exceed the rates specified in paragraph (1). The department shall have discretion in determining how funding may be used to increase the rates, including, but not limited to, providing one-time lump-sum payments. The department may contract with another entity to distribute this funding to contractors.

(B) Notwithstanding any other law, contracts or grants awarded pursuant to this subparagraph shall be exempt from the personal services contracting requirements of Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code, the Public Contract Code, and the State Contracting Manual, and shall not be subject to review or approval of the Department of General Services.

(3) In accordance with federal requirements for Child Care Stabilization Grants appropriated pursuant to the federal American Rescue Plan Act of 2021 (Public Law 117-2), contractors shall provide information via a one-time application or survey in advance of receiving American Rescue Plan Act funds. The department shall specify the timeline and format in which this information shall be submitted, and information shall include, but not be limited to, all of the following:

(A) Address, including ZIP Code.

(B) Race and ethnicity.

(C) Gender.

(D) Whether the provider is open and available to provide childcare services or closed due to the COVID-19 public health emergency.

(E) What types of federal relief funds have been received from the state.

(F) Use of federal relief funds received.

(G) Documentation that the provider met certifications as required by federal law.

(4) Rate increases shall be subject to federal usage limitations and federal and state program eligibility requirements.

(d) Notwithstanding subdivision (b), for the 2023–24, 2024–25, and 2025–26 fiscal years, the cost-of-living adjustments required pursuant to subdivision (b) shall instead be zero. It is the intent of the Legislature that any adjustment in the 2023–24 and 2024–25 fiscal years related to reimbursement for programs funded pursuant to this section will be subject to a ratified agreement, and subject to future legislation providing for appropriations related to the budget bill.

(e) Commencing July 1, 2025, and through June 30, 2026, if a program is open and operating in accordance with its approved program calendar and remains open and providing services to certified children throughout the program year, the contract reimbursement shall be based on the lesser of the following:

(1) The maximum reimbursable amount stated in the contract.

(2) Net reimbursable program costs.

(f) Commencing July 1, 2026, contract reimbursement shall be based on the lesser of the following:

(1) The maximum reimbursable amount stated in the contract.

(2) Net reimbursable program costs.

(3) The product of the adjusted child days of enrollment for certified children times the contract rate set forth in this section.

(g) Commencing July 1, 2025 and through June 30, 2026, reimbursement for family childcare home education network providers funded through migrant child care and development programs pursuant to Chapter 6 (commencing with Section 10235), general child care and development programs pursuant to Chapter 7 (commencing with Section 10240), or child care and development services for children with special needs pursuant to Article 9 (commencing with Section 10260) shall receive 100 percent of reimbursement based on the family's certified need for services at the maximum authorized hours of care less any allowable administrative expenses withheld by the contractor.

(h) If subdivision (g) is in conflict with a memorandum of understanding reached pursuant to Section 10426, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

(Amended by Stats. 2025, Ch. 13, Sec. 10. (SB 120) Effective June 27, 2025.)

10280.2. (a) (1) Consistent with the agreement, dated June 25, 2021, entered into by the Governor and Child Care Providers United - California, the state and Child Care Providers United - California shall establish a Joint Labor Management Committee to develop recommendations for a single reimbursement rate structure that addresses quality standards for equity and accessibility while supporting positive learning and developmental outcomes for children. The State Department of Social Services shall secure a contractor, in consultation with the Joint Labor Management Committee, to assist with the work to be completed pursuant to this subdivision.

(2) The Joint Labor Management Committee shall develop the recommendations described in paragraph (1) and shall present the recommendations to the Department of Finance no later than November 15, 2022, to inform the Governor's proposed budget for the 2023–24 fiscal year, which will be presented to the Legislature by January 10, 2023.

(3) To aid in these efforts related to rate reform and quality investments, the department may allocate up to twenty million dollars (\$20,000,000) of the funds described in subdivision (d) of Provision 5 of Item 6100-149-0890 of the Budget Act of 2021 (Ch. 32, Stats. 2021), as amended by Senate Bill 129 of the 2021–22 Regular Session, for the purposes of this subdivision. Within 30 days of securing a contractor, the department shall notify the Joint Legislative Budget Committee on the scope of work, and, within 60 days after the end of the contract period, shall provide the Joint Legislative Budget Committee with a report of all actual expenditures incurred.

(4) Contracts or grants awarded pursuant to this subdivision shall be exempt from the personal services contracting requirements of Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code. Contracts or grants awarded pursuant to this subdivision shall be exempt from the Public Contract Code and the State Contracting Manual, and shall not be subject to the approval of the Department of General Services.

(b) (1) The State Department of Social Services shall, in consultation with the State Department of Education, convene a working group separate from the Joint Labor Management Committee established pursuant to subdivision (a) to assess the methodology for establishing reimbursement rates and the existing quality standards for child care and development and preschool programs, including, but not limited to, licensing standards and the requirements in Subchapter 12 (commencing with Section 18270) of Chapter 19 of Division 1 of Title 5 of the California Code of Regulations, as that subchapter read on June 30, 2021, for equity and accessibility to all provider types and settings. This assessment shall be informed by evidence-based elements that best support child development and positive child outcomes. The workgroup shall include, but not be limited to, Child Care Providers United - California to represent family child care providers, as defined in paragraph (1) of subdivision (b) of Section 10421, teacher and administrator representatives of state-funded center-based contractors for both preschool and infant-toddler settings, child development experts, parent representatives, a Head Start representative, an alternative payment program agency representative, and representatives from the administration, as determined necessary by the department.

(2) The assessment and any recommendations of the workgroup shall be research-based, account for the diversity of California's child care and development and early learning system, account for alignment across federal Head Start and state-subsidized programs, and be aligned with the experience and education of the child care workforce, as well as the environmental settings of child care and development programs. The workgroup shall, no later than August 15, 2022, provide recommendations, including, but not limited to, recommendations on how the State Department of Social Services should define child care workforce competencies and how these competencies would align with rate reform, to the Joint Labor Management Committee established pursuant to subdivision (a), the Department of Finance, and the Joint Legislative Budget Committee.

(Added by Stats. 2021, Ch. 116, Sec. 260. (AB 131) Effective July 23, 2021.)

10281. (a) (1) For purposes of this section, "early childhood mental health consultation service" means a service benefiting an infant or toddler who is 0 to 36 months of age, inclusive, and is served in a general childcare and development program pursuant to this chapter, or a child who is 0 to 5 years of age, inclusive, and is served in a family childcare home education network setting funded by a general childcare and development program pursuant to this chapter.

(2) For purposes of this section, "early childhood mental health consultation service" includes, but is not limited to, all of the following:

(A) Support for providers, parents, legal guardians, and caregivers to create proactive trauma-informed, inclusive environments and to respond effectively to all children.

(B) Assistance through individual site consultations, provision of resources, formulation of training plans, referrals, and other methods that address the unique needs of programs and providers.

(C) Aid to providers, parents, legal guardians, and caregivers, and encouragement and facilitation of collaboration and communication, in developing the skills and tools needed to be successful as they support the development and early learning of all children, including observing environments, facilitating the development of action plans, and supporting site implementation of those plans.

(D) The development of strategies for addressing prevalent child mental health concerns, including internalizing problems, such as appearing withdrawn, and externalizing problems, such as exhibiting persistent and serious behaviors.

(E) If a child exhibits persistent and serious behaviors, support with the pursuit and documentation of reasonable steps to maintain the child's safe participation in the program, as described in Section 10491.1.

(F) Face-to-face interactions or video-based platforms and other modes of communication that are compliant with the federal Health Insurance Portability and Accountability Act (Public Law 104-191), such as the telephone.

(G) Group or individual consultations of any of the actions described in this paragraph.

(b) The cost to a provider agency of providing an early childhood mental health consultation service shall be reimbursable pursuant to Section 10281.5 if all of the following apply:

(1) The early childhood mental health consultation service is provided on a schedule of sufficient and consistent frequency, continuously throughout the program year, to significantly contribute to all of the following:

- (A) Improving interpersonal relationships and child outcomes.
- (B) Increasing the confidence, competence, and well-being of those consulted.
- (C) Eliminating suspensions and expulsions.

(2) (A) The early childhood mental health consultation service is provided by one of the following persons:

(i) A licensed mental health professional, including a marriage and family therapist, a licensed clinical social worker, a licensed professional clinical counselor, a licensed psychologist, a licensed child and adolescent psychiatrist, a credentialed school counselor, or a school psychologist credentialed pursuant to Section 44266, and employed pursuant to Section 49400, of the Education Code. The person described in this subparagraph shall have at least three years of experience providing mental health services to children zero to five years of age, inclusive, shall have training in infant, family, and early childhood mental health, shall be adequately insured, shall have held their respective license for a minimum of two years, and shall be in full compliance with all continuing education requirements applicable to their profession.

(ii) A license-eligible marriage and family therapist, a license-eligible clinical social worker, a license-eligible professional clinical counselor, a license-eligible psychologist, or a license-eligible child and adolescent psychiatrist, who is supervised by a person meeting all of the requirements described in clause (i).

(iii) A person holding, at a minimum, a master's degree in a field related to mental health or human services, including, but not limited to, marriage and family therapy, clinical social work, professional clinical counseling, infant mental health, human development, human services, psychology, school psychology, child and adolescent psychiatry or occupational therapy, education, social work, and other related fields, as determined by the department, and who has at least two years of experience working with children zero to five years of age, inclusive, who is supervised by a person meeting all of the requirements described in clause (i).

(iv) A person meeting all of the requirements described in clause (i) who is providing supervision pursuant to clause (ii) may be an employee of a contracting agency, including on a temporary or part-time basis, or engaged as an external contractor, provided that supervision takes place on a regular basis that is sufficient to offer professional guidance and support.

(B) Any person providing mental health consultation services pursuant to this section shall have a successful criminal background check.

(3) The early childhood mental health consultation service uses a relationship-based model emphasizing strengthening relationships among early childhood education providers, parents, children, and representatives of community systems and resources, and integrates reflective practice into the onsite consultation model. This model shall include, but not be limited to, all of the following:

(A) At least twice per program year, conducting early care- and education setting-based mental health assessments, such as the "Climate of Healthy Interactions for Learning & Development (CHILD)" or other appropriate instrument.

(B) Recordkeeping that adequately documents all consultation activities.

(C) With consent from parents or legal guardians, at least one screening of each enrolled child for adverse childhood experiences and screening for buffering factors, including, but not limited to, resilience.

(4) Within the first 30 days upon hire or start of consultation service, a provider agency ensures that a consultant is trained in all of the following:

(A) California law and professional ethics for early childhood mental health consultation, including all of the following:

(i) Contemporary professional ethics and statutory, regulatory, and decisional laws that delineate the scope of practice of early childhood mental health consultation.

(ii) The therapeutic, clinical, and practical considerations involved in the legal and ethical practice of early childhood mental health consultation.

(iii) Confidentiality, particularly as it pertains to minors.

(B) Child abuse and neglect mandated reporting laws.

(C) Best practices and foundations of early childhood mental health consultation.

(D) All relevant laws and regulations regarding state and federal childcare programs.

(5) Consultants and supervisors shall participate in continuing professional development and education for at least 18 hours per program year. Topics may include, but are not limited to, infant-family and early childhood mental health, implicit bias and equity, trauma-informed practice, early childhood development, and consultation.

(c) Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), until regulations are filed with the Secretary of State, the State Department of Social Services shall, in consultation with the State Department of Education, on or before December 31, 2023, implement this section through all-county letter or similar instructions until regulations are adopted.

(Amended by Stats. 2022, Ch. 915, Sec. 6. (AB 2806) Effective January 1, 2023.)

10281.2. Notwithstanding paragraph (1) of subdivision (a) of Section 8243 of the Education Code or paragraph (1) of subdivision (a) of Section 10281 of this code, alternative payment programs and agencies administering CalWORKs Stage 1, Stage 2, or Stage 3 programs, serving children zero to five years of age, inclusive, may utilize funds for administrative and support services to provide early childhood mental health consultation services, if the service meets the requirements of Section 10281.

(Added by Stats. 2022, Ch. 915, Sec. 7. (AB 2806) Effective January 1, 2023.)

10281.5. (a) In order to reflect the additional expense of serving children who meet any of the criteria outlined in subdivision (c), the provider agency's reported child days of enrollment for these children shall be multiplied by the adjustment factors listed below.

(b) The adjustment factors described in subdivision (c) shall apply to those programs for which assigned reimbursement rates are at or below the standard reimbursement rate. In addition, the adjustment factors shall apply to those programs for which assigned reimbursement rates are above the standard reimbursement rate, but the reimbursement rate, as adjusted, shall not exceed the adjusted standard reimbursement rate.

(c) Notwithstanding any other law, commencing January 1, 2019, the adjustment factors shall be as follows:

(1) Prior to January 1, 2022, for infants who are 0 to 18 months of age, inclusive, and are served in a child care center or a family child care home, the adjustment factor shall be 2.44.

(2) Prior to January 1, 2022, for toddlers who are 18 to 36 months of age, inclusive, and are served in a child care center or a family child care home, the adjustment factor shall be 1.8.

(3) For children with exceptional needs who are 0 to 21 years of age, inclusive, the adjustment factor shall be 1.54.

(4) For severely disabled children who are 0 to 21 years of age, inclusive, the adjustment factor shall be 1.93.

(5) Prior to January 1, 2022, for children at risk of neglect, abuse, or exploitation who are 0 to 14 years of age the adjustment factor shall be 1.1.

(6) Prior to January 1, 2022, for dual language learner children who are two years of age through kindergarten age, inclusive, the adjustment factor shall be 1.1.

(7) For infants and toddlers who are 0 to 36 months of age, inclusive, and are served in general child care and development programs, or children who are 0 to 5 years of age, inclusive, and are served in a family child care home education network setting funded by a general child care and development program, where early childhood mental health consultation services are provided, pursuant to Section 10281, the adjustment factor shall be 1.1.

(d) Use of the adjustment factors shall not increase the provider agency's total annual allocation.

(e) (1) Days of enrollment for children who meet more than one of the criteria outlined in paragraphs (1) to (6), inclusive, of subdivision (c) shall not be reported under more than one of the categories specified in those paragraphs.

(2) Notwithstanding paragraph (1), for children for whom an adjustment factor is applied pursuant to any of paragraphs (1) to (6), inclusive, of subdivision (c), and who are additionally eligible for the adjustment factor established in paragraph (7) of subdivision (c), reported child days of enrollment shall be multiplied by the sum of the applicable adjustment factor under paragraphs (1) to (6), inclusive, of subdivision (c) and 0.05.

(f) The difference between the reimbursement resulting from the use of the adjustment factors outlined in subdivision (c) and the reimbursement that would otherwise be received by a provider in the absence of the adjustment factors shall be used for special and appropriate services for each child for whom an adjustment factor is claimed.

(Amended by Stats. 2022, Ch. 571, Sec. 48. (AB 185) Effective September 27, 2022.)

10282.5. (a) Notwithstanding the provisions of Section 10280, the assigned reimbursement rate of a center-based child care agency (a) contracting with the department, (b) operating under licensing standards for child care and development facilities specified by Section 1500 et seq. of the Health and Safety Code and by Title 22 of the California Administrative Code, and (c) with less than a majority of subsidized children enrolled in the facility, shall be equivalent to the fee paid for the same service by families of nonsubsidized children.

(b) It is not the intent of the Legislature to preclude an agency with a contract with the department from adjusting the fees charged to nonsubsidized children during the contract year. In no event shall the assigned reimbursement rate exceed the standard reimbursement rate established pursuant to Section 10280.

(c) These agencies shall provide documentation to the department that subsidized children, as necessary and appropriate, shall receive supportive services through county welfare departments, resource and referral programs, or other existing community resources, or all of them.

(Added by Stats. 2021, Ch. 116, Sec. 260. (AB 131) Effective July 23, 2021.)

10283. (a) Commencing with the 1995–96 fiscal year and each fiscal year thereafter, for purposes of this part, reimbursement rates shall be adjusted by the following reimbursement factors for child care and development programs with a standard reimbursement rate, but shall not apply to the resource and referral programs set forth in Chapter 2 (commencing with Section 10217), the alternative payment programs set forth in Chapter 3 (commencing with Section 10225), or the schoolage parent and infant development programs:

(1) Prior to January 1, 2022, for child care and development providers serving children for less than four hours per day, the reimbursement factor is 55 percent of the standard reimbursement rate.

(2) Prior to January 1, 2022, for child care and development program providers serving children for not less than four hours per day, and less than six and one-half hours per day, the reimbursement factor is 75 percent of the standard reimbursement rate. For providers operating under Chapter 21 (commencing with Section 10370) and serving children for not less than four hours per day, and less than seven hours per day, the reimbursement factor is 75 percent of the standard reimbursement rate.

(3) Prior to January 1, 2022, for child care and development program providers serving children for not less than six and one-half hours per day, and less than 10 and one-half hours per day, the reimbursement factor is 100 percent of the standard reimbursement rate. For child care and development providers operating under Chapter 21 (commencing with Section 10370) and serving children for not less than seven hours per day, and less than 10 hours per day, the reimbursement factor is 100 percent of the standard reimbursement rate.

(4) For child care and development program providers serving children for 10 and one-half hours or more per day, the reimbursement factor is 118 percent of the standard reimbursement rate.

(b) It is the intent of the Legislature, notwithstanding the difference between the standard reimbursement rate and the regional market rate, to support serving children for the length of day that is appropriate under a provider's contract.

(Added by Stats. 2021, Ch. 116, Sec. 260. (AB 131) Effective July 23, 2021.)

10284. (a) Notwithstanding the provisions of Section 10280, the payment made to a child care facility (a) with authorization for payments from an alternative payment program or a county welfare department, (b) operating under licensing standards for child day care facilities specified by Sections 1500 et seq. of the Health and Safety Code and by Title 22 of the California Administrative Code, and (c) with less than a majority of subsidized children enrolled in the facility, shall be the same as the fee paid for the same service by families of nonsubsidized children.

(b) Each alternative payment system or county welfare department shall provide documentation that subsidized children, as necessary and appropriate, shall receive supportive services through county welfare departments, resource and referral programs, other existing community resources, or all of them.

(Added by Stats. 2021, Ch. 116, Sec. 260. (AB 131) Effective July 23, 2021.)

10284.5. The audits for those agencies licensed under the provisions of Chapter 3 (commencing with Section 1500) of Division 2 of the Health and Safety Code shall include a sampling of the evidence of fees paid by families of nonsubsidized children, the average daily enrollment of subsidized and nonsubsidized children, the average number of days of service provided to subsidized children, and the services provided to subsidized children pursuant to the terms of the contract.

(Added by Stats. 2021, Ch. 116, Sec. 260. (AB 131) Effective July 23, 2021.)

10284.6. The department and the State Controller shall establish the necessary plans to advance child care funds to contracting agencies.

(Added by Stats. 2021, Ch. 116, Sec. 260. (AB 131) Effective July 23, 2021.)

10285. The department shall adopt rules, regulations, and guidelines to facilitate the funding and reimbursement procedures required by this chapter.

(Added by Stats. 2021, Ch. 116, Sec. 260. (AB 131) Effective July 23, 2021.)

10286. The department shall support the coordination of resources available to state and local agencies serving children, youth, and their families.

(Added by Stats. 2021, Ch. 116, Sec. 260. (AB 131) Effective July 23, 2021.)

10286.5. In the event that operating agencies are unable to operate due to incomplete renovations authorized by administering state agencies, or due to circumstances beyond the control of the operating agency, including earthquakes, floods, or fire, such programs shall not be penalized for incurred program expenses nor in subsequent annual budget allocations.

(Added by Stats. 2021, Ch. 116, Sec. 260. (AB 131) Effective July 23, 2021.)

10287. (a) The rules, regulations, and guidelines adopted by the department pursuant to Sections 10267.5 and 10285 shall permit reimbursement for interest paid by contractors on private sector debt financing for the purchase, lease-purchase, repair, or renovation of child care and development facilities owned or leased by contractors providing center-based care.

(b) The department shall adopt regulations requiring contractors to demonstrate that the amount of interest paid in a year on private sector debt financing for the purposes identified in subdivision (a) does not exceed the value obtained by the state in the use of the facilities during the year for the child care and development services program. The regulations shall include, but not be limited to, the following methods of making this demonstration:

(1) Amortization of a loan or lease-purchase contract on a straight-line basis for the purchase price of a portable building, including any transportation charges, installation charges, loan fees, taxes, points or other fees associated with the purchase, over a period of 15 years or more.

(2) Amortization of a loan or lease-purchase contract on a straight-line basis for the purchase price of a permanent building and real estate, including any loan fees, taxes, points or other fees associated with the purchase, over a period of 15 years or more.

(3) Evidence acceptable to the department that loan payments for the purchase of a portable building or permanent building and real estate, including principal and interest, do not exceed the fair market rental cost that the contractor would have paid if the property was not purchased.

(c) Loans or lease-purchase agreements amortized over the number of years designated in subdivision (b), but due in a fewer number of years, shall not be disallowed because of the shorter due date.

(Added by Stats. 2021, Ch. 116, Sec. 260. (AB 131) Effective July 23, 2021.)

10287.5. A center-based child care agency contracting with the department to provide center-based child care services may schedule up to two days of staff training, per contract period, using state reimbursement funding on the topics including procedures for emergencies in child development programs, licensing regulations relating to child development programs, recognition and reporting of suspected abuse of children in child development programs, managing challenging behaviors and preventing expulsion of children, and addressing items on the program's Quality Rating and Improvement System (QRIS) Quality plan.

(Added by Stats. 2021, Ch. 116, Sec. 260. (AB 131) Effective July 23, 2021.)