




Quality Early Learning Updates

May 8, 2023





PROP 10 Revenue Funding

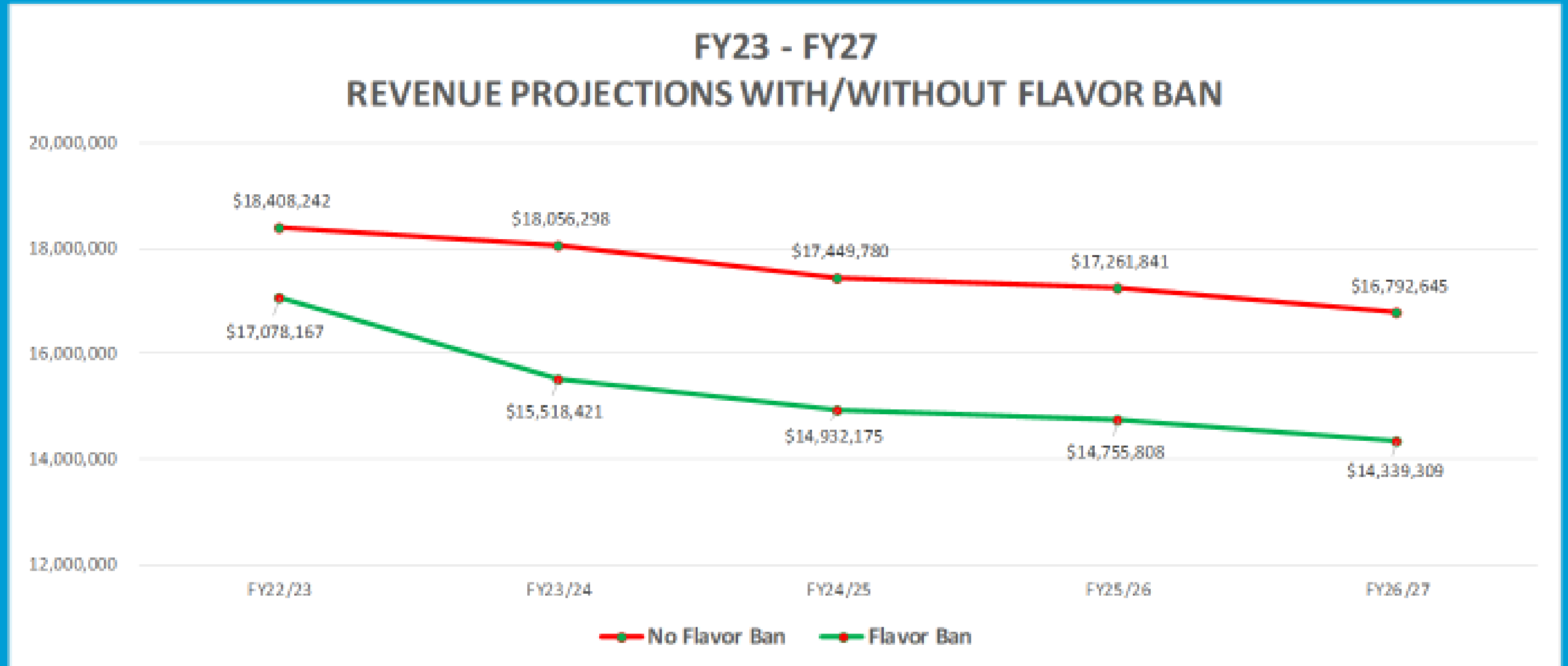


CA First 5 Revenue Challenge

- Declining Proposition 10 Tobacco Tax Revenue Since 2012: **\$113M**
- Declining revenue projection due to **tobacco sales**: **\$71M** through 2030
- Declining revenue projection due to **flavor ban**: **\$257M - \$390M** through 2030
- Declining Tobacco Sales and Flavor Ban Impact:
 - **\$461M** loss of revenue over next 7 years
 - **\$138M** loss of revenue over next **18 Months** = **23%** Revenue Decline



F5RC 5-YEAR REVENUE TREND WITH/WITHOUT FLAVOR BAN



	FY22/23		FY23/24		FY24/25		FY25/26		FY26/27	
No Flavor Ban	\$	18,408,242	\$	18,056,298	\$	17,449,780	\$	17,261,841	\$	16,792,645
Flavor Ban	\$	17,078,167	\$	15,518,421	\$	14,932,175	\$	14,755,808	\$	14,339,309

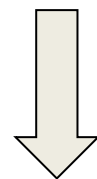
Quality Rating and
Improvement System
(QRIS) Funding



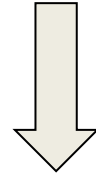
QRIS System Funding



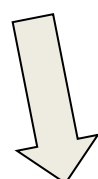
IMPACT
Legacy



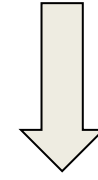
First 5
Riverside
County



CSPP
Block
Grant



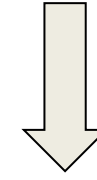
RCOE



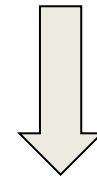
QCC
Block
Grant



Consortium for EL
Services



Workforce
Pathways
Grant



IMPACT Legacy (New)

IMPACT Legacy is a comprehensive effort to enhance the quality of early learning and care (ELC) and support the workforce, with a focus on addressing the needs of the whole child, including health, behavioral health, child development, and family strengthening.

RFA was released May 1st

First 5 Riverside County will serve as the Region 9 Hub fiscal lead



IMPACT Legacy Objectives:

ACCESS

- New settings with a focus on home-based sites
- Address implicit bias and barriers to participation
- Endorse processes that welcome diverse families including multilingual learners

FAMILY ENGAGEMENT

- Equity focused coaching
- PD opportunities to build capacity to authentically engage families
- Teacher practice that celebrates community culture in the classroom or care setting

ADULT-CHILD INTERACTIONS

- Strategic, focused professional growth opportunities and coaching
- Trauma-informed practice, culturally responsive care and authentic family engagement for children's social and emotional health

STATE-LEVEL INFRASTRUCTURE

- Continue focus on PD for ELC professionals, coaches, trainers and TA providers
- Development projects, pilots and evaluation studies
- Coordinated revision of QCC Quality Continuum Framework

STATEWIDE SUSTAINABILITY

- Advocate for state policies to support workforce compensation
- Evaluate IMPACT legacy to identify promising practices
- Fund the statewide professional workforce data system

IMPACT Legacy Priorities:

Settings

- Private Center-Base
- Family Child Care Home
- Family Friend and Neighbor
- Family Resource Centers
- Home-Visiting Programs
- Libraries
- Playgroups

Required Participation

- 40% Infant and Toddlers
- 60% or more in home-based settings (FCC and FFN)

Priority Populations

- Programs/early educators serving infants and toddlers
- Children who are multilingual learners
- Children in foster care
- Families who are unhoused
- Children with special needs
- Tribal, refugee/newcomer families, migrant families, and rural/isolated communities

Quality Improvement

- Focusing on equity, systems change, and innovation
- Quality Continuum Framework
- Excluding formal ratings

Rate Reform



The Child Care Market is Broken

- Families are price-sensitive consumers
- Higher quality ECE costs more than most families can afford, which lowers demand for quality
- Providers in low-income areas must set rates low, but then receive low subsidy rate
- Very few state sets rates at the recommended percentile of the current market rate, decreasing the value of the voucher even further.



Alternative Methodology Timeline

June - October 2023

- Additional data collection
- Geographic representation
- Deeper dive into costs associated with serving special populations
- Deeper dive into costs for FFN providers

October 2023 - January 2024

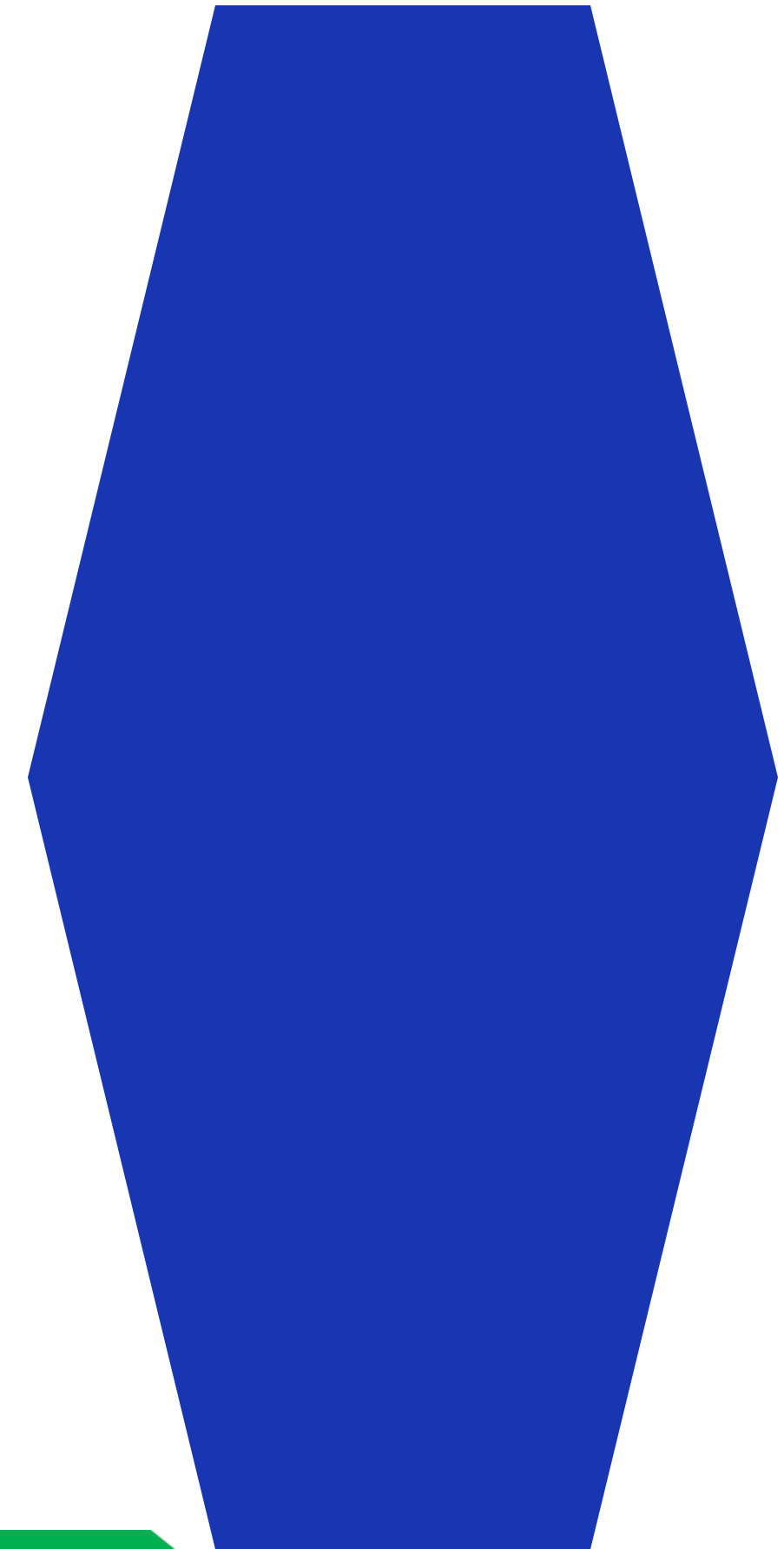
- Cost estimation model refinement

January - June 2024

- Rate setting and budget negotiations

June 2024 - new rates announced

January 2025 - new rates in effect



Riverside County Hybrid Alternative Payments(RHAP) - Child Care Scholarships and Incentives



Proposed RHAP Subsidized Child Care Scholarships

Proposed Access for 150 (FTE)Low Income Families with Priority:

- Infants and toddlers (ages 0-3)
- Direct enrollment for Quality Start Riverside County participating providers and newly constructed or renovated facilities funded by First 5 Riverside County
- Special populations - defined as, but not limited to:
 - families in crisis, migrant families, children with special needs, grandparents raising grandchildren, and continuity of care for families impacted by displacement due to program reduction.

F5 RHAP reimbursement will align with the State AP rates allowing additional low-income children to access quality early learning education that meets the needs of the families.

Proposed Quality Incentives:

Proposed Incentive Structure: Flat Rate per full time week* First Year: 0-4 / Second Year: 0-3	
Center-Based	Family Child Care
\$40	\$25

*The Flat rate is the same regardless of the child’s age and based on a F/T scholarship.
Rates are half the amount for P/T scholarship.

RHAP Incentive Layer Payment Changes

Current Tier Rating Approach

Centers

Tiers	Full Time	Part Time
Tier 3	\$30	\$15
Tier 4	\$50	\$25
Tier 5	\$50	\$25

Family Child Care

Tiers	Full Time	Part Time
Tier 3	\$20	\$10
Tier 4	\$30	\$15
Tier 5	\$30	\$15

New Flat Rate Approach

	Full Time	Part Time
Flat Rate	\$40	\$20

	Full Time	Part Time
Flat Rate	\$25	\$12.50

Examples of programs experiencing a decrease

Tier 4 Center Example 1

Original Per Child	New Per Child Per Week	Difference
\$1,300	\$1,040	(\$260)

Original Formula:

- 25 full-time children under four @ \$50 per child and 2 part time children under four @ \$25 per child

New Formula:

- 25 full-time children under four @ flat rate \$40 per child and 2 part time children under four @ \$20 per child

Tier 4 FCC Example 1

Original Per Child	New Per Child Per Week	Difference
\$165	\$137.50	(\$27.50)

Original Formula:

- 5 full time children under four @ \$30 per child and 1 part time child @\$15

New Formula:

- 5 full time children under four @ flat rate \$25 per child and 1 part time child @ \$12.50

Examples of programs experiencing an increase

Center Tier 3 Example 2

Original Per Child	New Per Child Per Week	Difference
\$330	\$440	(\$110)

Original Formula:

- 10 full time children under four @ \$30 per child and 2 part time children under four @ \$15 per child

New Formula:

- 10 full time children under four @ \$40 per child and 2 part time children under four @ \$20 per child

FCC Tier 3 Example 2

Original Per Child	New Per Child Per Week	Difference
\$140	\$175	(\$35)

Original Formula:

- 6 full time children under four @ \$20 per child and 2 part time children @ \$10 per child

New Formula:

- 6 children under four @ flat rate \$25 per child and 2 part time children @ \$12.50 per child

First 5 Riverside County -

- Supporting Quality Improvement efforts for QS Providers
- Prioritizing special populations being served in high-quality programs -
 - Children 0-3,
 - Children with Special Needs
 - Tribal, migrant families, and rural/isolated communities
- Bridge to Rate Reform by Incentivizing AP providers to serve low-income children based on a flat rate as a result of the elimination of formal tier ratings
- Incentivizing early learning providers for continued quality improvements



QUESTIONS

For Questions

Email: F5RiversideCountyWorkforce@rivco.org

Subject line: IMPACT Legacy

