

Date of Hearing: March 28, 2023

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Corey A. Jackson, Chair

AB 679 (Wicks) – As Amended March 21, 2023

SUBJECT: Family childcare homes: meals: reimbursement rates

SUMMARY: Allows licensed family childcare homes to receive 100% reimbursement instead of 75% for eligible meals provided to children in their care and clarifies “family childcare homes” has the same meaning as “family daycare homes” for the purposes of this bill.

EXISTING LAW:

- 1) Permits a governing school district board to provide free or reduced price breakfast for pupils within the district and exempts family daycare homes from rules established within the governing school board district, and instead sets a reimbursement rate at 75% of the cost of meals for “needy” children. (Education Code Section [EDC] 49501)
- 2) Requires childcare programs operating under California Code of Regulations Title 22 to offer meals/snacks to children as follows: full-day programs must provide lunch as well as a mid-morning and mid-afternoon snack; part-day programs must provide a mid-morning or mid-afternoon snack. Further requires that snacks include at least one serving from each of two or more food groups. (22 California Code of Regulations Section 101227)
- 3) Defines “child daycare facility” to mean a facility that provides nonmedical care to children under 18 years of age, as specified, including daycare centers, employer-sponsored childcare centers, and family daycare homes. (Health and Safety Code Section [HSC] 1596.750)
- 4) Defines “family daycare home” to mean a facility that regularly provides care, protection, and supervision for 14 or fewer children, in the provider’s own home, for periods of less than 24 hours per day, while the parents or guardians are away, and is either a large family daycare home or a small family daycare home, as defined. (HSC 1596.78)
- 5) Establishes the “Childcare and Development Services Act” to provide childcare and development services as part of a coordinate, comprehensive, and cost-effective system serving children from birth to 13 years of age and their parents including a full range of supervision, health, and support services through full- and part-time programs. (Welfare and Institutions Code Section [WIC] 10207 *et seq.*)
- 6) Defines “needy children” to mean children eligible for California Work Opportunity and Responsibility to Kids (CalWORKs). (EDC 49501)
- 7) Establishes CalWORKs eligibility to families with related children under the age of 18 years of age, in need because they have been deprived of parental support or care due to:
 - a) The death, physical or mental incapacity, or incarceration of a parent;
 - b) The unemployment of a parent or parents; or,

- c) Continued absence of a parent from the home due to divorce, separation, or desertion. (WIC 11250)
- 8) Provides that it is the policy of this state that no child be hungry while attending a preschool program, and that preschools have an obligation to provide for the nutritional needs of children in attendance. (EDC 8204)
- 9) Establishes the “Child and Adult Care Food Program” (CACFP) as a state and federally funded Child Nutrition Program that provides reimbursements for nutritious meals and snacks to eligible children and adults who are enrolled for care at participating childcare centers, daycare homes, and adult daycare centers. Further requires that CACFP also provides reimbursements for meals served to children and youth participating in afterschool care programs, children residing in emergency shelters, and adults over 60, or living with a disability and enrolled in daycare facilities. (42 United States Code [USC] 1766)
- 10) Establishes the childcare component of CACFP to provide reimbursement to licensed and license-exempt childcare centers and daycare homes for healthy meals and snacks. (42 USC 1766)

FISCAL EFFECT: Unknown, this bill has not been analyzed by a fiscal committee.

COMMENTS:

Background: *Child hunger.* Food insecurity and child hunger in the United States remains an issue for many people. The United States Department of Agriculture (USDA) measures food insecurity and reports 1 in 8 or 9 million children are currently struggling with hunger. This could mean skipped meals and/or incomplete or insufficient meals. The pandemic highlighted how many children and families needed food assistance. Programs like CalFresh were able to respond and provide food assistance for families. Schools also responded by offering free meals to all school age children in the district, and are continuing to offer free breakfast and lunch to students at school. The Public Policy Institute of California (PPIC) reported that 16% of households with children who reported food scarcity in late summer 2020 also reported relying on CalFresh and 13% relied on school meals, but only 6% reported participation in both. Meaning, there are a number of children struggling to have access to food that is necessary for growth, learning, and overall thriving. Meals offered in childcare settings are one strategy to ensure children are receiving food.

Meal funding for children. Reimbursement rates vary from each setting. In school settings, the National School Lunch program sets forth annual reimbursement rates for TK-12. Non-residential childcare are permitted to apply for CACFP reimbursement as described below and receive full reimbursement. Additionally, up until last year, childcare centers and childcare homes did not receive supplementary funding for meals provided by the state unless they were sponsored by a public school food authority.

Family daycare providers are temporarily approved, set to expire on June 30, 2023, for an increase in CACFP reimbursement due to the Keep Kids Fed Act as an effort to help pandemic-related challenges. However, state law only provides that family daycare facilities receive reimbursement for 75% of the eligible meals they serve despite providing care to low-income

children who would be eligible to generate 100% reimbursement if they were enrolled in a center-based program.

Different childcare settings. California has a variety of subsidized childcare setting choices based on a variety of factors. Center-based direct-contract childcare and development programs are administered by the California Department of Social Services (CDSS) and the California Department of Education (CDE). CDE administers the California State Preschool Program (CSPP), while CDSS administers the General Childcare Program (CCTR), the Severely Handicapped Program (CHAN) and the Family Childcare Education Home Networks Program (CFCC). Each program follows different requirements and has different reimbursement rates.

This bill directly impacts family daycare providers, including license-exempt providers. Family daycare providers are typically in a home-based setting. License-exempt providers are family, friend, or neighbor care that typically have to go through a background check process and can accept vouchers.

Child and Adult Care Food Program. CACFP is a state and federally funded program that provides cash reimbursement for meals that meet nutritional meal requirements as prescribed under the “CACFP meal patterns” to childcare centers, afterschool centers, emergency shelters and adult daycare centers. SB 98 (Committee on Budget and Fiscal Review), Chapter 24, Statutes of 2020, authorized the transfer of state administration of the CACFP, as well as other childcare programs, from CDE to CDSS on July 1, 2021.

The CACFP branch at CDSS states their mission is to “provide equitable access to nutritious meals for infants, children, and adults in the community by supporting our CACFP Operators through policy guidance, nutrition education, and training.”

Childcare centers may independently participate and receive training, support, and reimbursements directly from CDSS or under a sponsoring organization receiving the training, support, and reimbursements from the sponsoring organization. Daycare home providers must use a sponsoring organization.

The current CACFP reimbursement rate, including an additional \$0.10 per meal to help alleviate pandemic related challenges, is \$2.21 for free breakfast, \$1.91 for reduced-price breakfast, \$4.03 for free lunch/supper, and \$3.63 for reduced-price lunch/supper. In childcare centers, the state will also reimburse an additional \$0.1975 for each meal. This additional funding does not extend to daycare homes.

Family daycare providers currently receive lower reimbursement rates of \$1.66 for breakfast and \$3.04 for lunch/supper. The 2021-22 Budget extended the 75% reimbursement for all daycare home sponsors including those that are not public school food authorities. In past years, there was no additional state reimbursement for these providers, unless they were sponsored through a public school nutrition authority.

Author’s Statement: According to the Author, “Childcare is the largest setting to support access to nutritious foods during the critical early years of development. However, existing law in California only reimbursed for 75% of the meals served to the children in their care, and family childcare providers are forced to make up the difference. The meal reimbursement rate gap is the result of a racist legacy of childcare laws—still in place today—that undervalue and

underpay labor historically performed by Black, Latina, and immigrant women. [This bill] offers a method to eliminate burdensome costs that disproportionately impact low income families of color throughout the state. [This bill] invests in our children's nutrition and our state's childcare workforce and builds upon California's commitment to creating a sustainable childcare system that works for all children, parents, and providers."

Need for this bill: This bill creates parity in food reimbursement for the different subsidized childcare programs in the state. Childcare facilities are struggling to stay open, to pay staff, and enroll children. Inflation continues to rise and family daycare providers will be forced to eat the cost, making less money available for wages. Family daycare providers are essential to the childcare infrastructure.

Equity Implications: The Center for the Study of Childcare Employment reports, 71% of family childcare providers are people of color; 53% are 50 or older; and 98% are women. The statewide median income for family childcare providers is \$16,200 to \$30,000 for small family childcare providers and \$40,000 to \$56,400 for large family childcare providers.

By failing to provide parity in reimbursement rates, family childcare providers suffer. Based on the demographics of those family childcare providers, it is clear that women of color who are low income stand to suffer the most.

Double referral: This bill will be referred to the Assembly Education Committee should it pass out of this committee.

RELATED AND PRIOR LEGISLATION:

SB 1481 (Becker) of 2022, would have established, subject to an appropriation, a free, universal meal program through CACFP by increasing state reimbursement to the existing federal meal program for children in CSPP, general childcare, and specified licensed-exempt care; would have expanded eligibility for free meals in these programs; and would have created a grant program to encourage expansion and participation in the CACFP in underserved communities. *SB 1481 was held on the Assembly Appropriations Committee suspense file.*

AB 842 (Limon) of 2019, would have required each part-day CSPP to provide at least one nutritious meal per program day, and each full-day CSPP to provide at least two nutritious meals or two snacks and one nutritious meal per program day. Further, AB 842 would have required each local educational agency, including a charter school, that maintains a childcare and development program to provide at least one nutritionally adequate free or reduced-price meal to each needy child, and would have removed the requirement that family daycare homes, funded through school district programs, be reimbursed for 75% of the meals served. *AB 842 was vetoed by Governor Newsom.*

REGISTERED SUPPORT / OPPOSITION:

Support

CACFP Roundtable (Co-Sponsor)
Nourish California (Co-Sponsor)
California Alternative Payment Program Association
California Association of Food Banks
California Family Child Care Network

California Food and Farming Network
California Immigrant Policy Center
Child Care Law Center
Child Care Providers United (CCPU)
Children's Council of San Francisco
Coalition of California Welfare Rights Organizations
Community Action Partnership of Orange County
Glide
Hunger Action Los Angeles INC
John Burton Advocates for Youth
LAANE (Los Angeles Alliance for A New Economy)
Los Angeles Regional Food Bank
Orange County United Way
San Francisco-Marin Food Bank
Second Harvest Food Bank Santa Cruz County

Opposition

None on file

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