

Date of Hearing: June 30, 2021

ASSEMBLY COMMITTEE ON HUMAN SERVICES  
Lisa Calderon, Chair  
SB 393 (Hurtado) – As Amended May 20, 2021

**SENATE VOTE:** 39-0

**SUBJECT:** Migrant Childcare and Development Programs

**SUMMARY:** Aligns the funding structure for the California Migrant Alternative Payment Program (CMAP) to expend more than the standard reimbursement rate for a particular child but would prohibit payments made by that program from exceeding the applicable market rate ceiling. This bill also expands reimbursement allowances to include additional costs. Specifically, **this bill:**

- 1) Makes Legislative findings and declarations related to the CMAP.
- 2) States Legislative intent to support the unique needs of the CMAP in order to meet the needs of this integral population by supporting their access to childcare and early learning.
- 3) Provides that payments made by the CMAP shall not exceed the applicable market rate ceiling.
- 4) Provides that the CMAP may expend more than the standard reimbursement rate (SRR) for a particular child.
- 5) Provides that the reimbursement for the CMAP shall include the cost of childcare paid to childcare providers plus the administrative and support services costs of the CMAP. Further, the total cost for administration and support services shall not exceed an amount equal to 21% of the total contract amount, and the administrative costs shall not exceed the costs allowable for administration under federal requirements.

**EXISTING LAW:**

- 1) Establishes the “Child Care and Development Services Act” to provide child care and development services as part of a coordinated, comprehensive, and cost-effective system serving children from birth to 13 years old and their parents including a full range of supervision, health, and support services through full- and part-time programs. (Education Code Section [EDC] 8200 *et seq.*)
- 2) Requires the Superintendent of Public Instruction (Superintendent) to develop standards for the implementation of quality programs, and outlines indicators of quality to include, among other things, a physical environment that is safe and age appropriate and meets applicable licensing standards; program activities and services that meet the needs of children with exceptional needs and their families; and, alternative payment services. (EDC 8203)
- 3) Defines “alternative payments” to include payments made by one child care agency to another agency or provider for the provision of child care and development services, and payments that are made by an agency to a parent for the parent's purchase of child care and development services. (EDC 8208 (a))

- 4) Defines “alternative payment program” (APP) as a local government agency or nonprofit organization that has contracted with the California Department of Education (CDE), as specified, to provide alternative payments and to provide support services to parents and providers. (EDC 8208 (b))
- 5) Defines “child care and development programs” to mean those programs that offer a full range of services for children from infancy to 13 years of age, for any part of a day, by a public or private agency, in centers and family child care homes, including, but not limited to, migrant child care and development. (EDC 8208 (i))
- 6) Authorizes the use of child care and development funds for APPs in order to maximize parental choice in selecting an appropriate child care setting, and established requirements regarding APPs, as specified. (EDC 8220 et seq.)
- 7) Defines a “migrant agricultural worker family” to mean a family that has earned at least 50% of its total gross income from employment in fishing, agriculture, or agriculturally related work during the 12-month period immediately preceding the date of application for childcare and development services. (EDC 8231 (a))
- 8) Requires that children of migrant agricultural worker families be enrolled in child development programs on the basis of the following priorities:
  - a) The family moves from place to place;
  - b) The family has qualified within the past five years and is currently dependent for its income on agricultural employment, but is currently settled near agricultural areas; and,
  - c) The family resides in a rural agricultural area and is dependent upon seasonal agricultural work. (EDC 8231 (b))
- 9) Allows the cost for migrant programs to exceed the SRR established by the Superintendent. Prohibits the reimbursement from exceeding the cost of the program. Authorizes state-funded programs to be eligible for Chapter I federal funds to supplement state funding. Prohibits these funds from being contingent upon the provision of additional child days or enrollment. (EDC 8233(a))
- 10) Establishes, beginning July 1, 2018, the SRR as \$11,995, in addition to a cost of living adjustment beginning with the 2019-20 fiscal year. (EDC 8265)
- 11) Defines “regional market rate” (RMR) as care costing no more than 1.5 market standard deviations above the mean cost of care for that region. States legislative intent to reimburse child care providers at the 85th percentile of the most recent RMR survey. (EDC 8357(a))
- 12) Requires the RMR ceilings to be established at the greater of either of the following:
  - a) The 75th percentile of the 2016 RMR survey for that region; or,
  - b) The RMR ceiling that existed in that region on December 31, 2017. (EDC 8357(b))

**FISCAL EFFECT:** According to the Senate Appropriations Committee on May 20, 2021, by allowing the program to have an uncapped number of slots, this bill could result in General Fund

cost pressure in the low hundreds of thousands of dollars each year. Further, by expanding the reimbursement allowances to include additional costs such as ongoing program expenses (rather than just startup and close-down costs) and administrative and support costs, this bill could result in additional, unknown cost pressure on the existing contracts.

#### COMMENTS:

***Reimbursement Rates for Subsidized Childcare:*** Two different sets of rate schedules apply to providers of subsidized childcare: RMR and SRR. For programs utilizing vouchers, which allow families to access child care through their choice of a licensed day care center, a licensed family child care home, or license-exempt child care (typically, care provided by a family, friend, or neighbor who has passed a background check), providers are reimbursed using a RMR. This rate is based on a biannual RMR survey of the cost of childcare in various geographical regions across the state. RMR rate ceilings are currently established at the 75th percentile of the 2016 RMR survey for a county (unless that ceiling is lower than the ceiling existing on December 31, 2017). RMR ceilings for license-exempt providers are set at the 70th percentile of a county's established RMR ceiling for family childcare homes.

Providers of contracted care - Title 5 child care and development programs and California State Preschool Programs (CSPPs) that contract directly with CDE, as opposed to voucher-based care—are reimbursed according to a uniform statewide rate system based on the SRR. These programs receive the same reimbursement rate (plus adjustment factors depending on the age and needs of the child) regardless of geographic region. The SRR for general childcare is currently set at \$11,995 per year, and the full-day state preschool reimbursement rate is established at \$12,070 per year (both in addition to cost-of-living-adjustments).

***Migrant Alternative Payment Programs:*** CMAPs issue vouchers to eligible, migrant agricultural worker families that can be used to purchase childcare and development services. This program provides services for children birth through 12 years of age, and for older children with exceptional needs. The families can receive these services through the CMAP at six entry counties (Kern, Kings, Madera, Merced, Tulare, and Fresno). The program allows parents to choose their preferred childcare setting by working with licensed childcare centers, licensed family childcare homes, license-exempt providers, and in-home providers. Migrant families are admitted based on family income, with the lowest per capita admitted first. Families that migrate to counties outside of the county in which they enrolled remain eligible for services with the CMAP program, even if the families are not working within the six counties in which CMAP maintains offices—the funding for services follows families as they move from place to place for agricultural work.

Under their contract with CDE, CMAP has a set amount of dollars and a set number of childcare slots under the SRR. However, to facilitate migrant workers' need to secure childcare as they move between worksites, CMAP issues vouchers under the RMR for reimbursement. These vouchers allow migrant workers to “purchase” the childcare of their choice in various locations where they live and work. CMAP operates as a hybrid program—operating as a voucher program and funded as under the SRR. This hybrid nature has created inequities for the migrant childcare program, as the number of childcare slots and funding available under the program are limited.

The federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed by President Trump on March 27, 2020, allocated \$3.5 billion across the nation through the Child Care and Development Block Grant (CCDBG), for immediate assistance to childcare providers to prevent them from going out of business, and to otherwise support child care for families, including for healthcare workers, first responders, and others playing critical roles during this crisis. California received \$350 million in supplemental CCDBG funding through the CARES Act. However, federal CARES Act funds that were available to support essential workers during the COVID-19 pandemic could not be awarded to the migrant program, because it is not funded as a voucher program. Had the migrant program been able to receive CARES Act funds, roughly \$400,000 could have been used to support migrant worker families.

***Need for this bill:*** The migrant childcare program supports the unique needs of migrant workers whose employment requires they move where their work takes them. When the program was initially established, it was done so under the funding stream for childcare centers based on a set number of slots for children in a classroom. To facilitate the fluctuating number of migrant workers attempting to secure childcare where they work, the system issues vouchers that workers can use to pay for childcare where they live. However, because CMAP is not funded as a voucher program, the program was ineligible to receive CARES Act funds. This bill would remedy the funding structure of the CMAP.

This bill also expands reimbursement for administrative and support services costs for the CMAP. Because there are six CMAP offices throughout the state, transportation to the nearest office can become a barrier for access for some families. In order to reach some of those families, the CMAP may travel to a hub that is more accessible for those families to meet. These administrative costs are not sustainable for the CMAP, but could be mitigated with the reimbursement for administrative costs included in this bill.

According to the author, “California’s farmworkers are an essential part of keeping food on the table in this State and throughout the Nation. However, the treatment of agricultural workers during the pandemic did always not reflect this.

“California received hundreds of millions of dollars in federal funding during the COVID crisis. The federal funds were earmarked to create more accessible childcare voucher slots for essential workers so that they could continue their vital work without worrying about their children’s care. Due to an outdated law, California’s critical farm workers lost out on roughly \$400,000 in additional child care vouchers for families to access.

“To correct this, [this bill] aligns the state’s only Migrant Childcare Program funding stream with other voucher-based programs. This bill also addresses the unique operational costs of this program, such as the need to maintain five additional satellite offices for field workers to access.

“Agriculture is the backbone of our community – those who uproot their lives to provide the food we eat--MUST have adequate access to childcare to continue to feed our State and Nation. California should do what it can to support the needs of our essential agricultural workers and their families.”

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

**PRIOR AND RELATED LEGISLATION:**

**SB 246 (Leyva) of 2021**, requires the California Department of Social Services (CDSS) to establish a single reimbursement rate for early learning and care programs, including variation for regional costs and quality adjustment factors. SB 246 is set to be heard by the Assembly Human Services Committee on June 30, 2021.

**SB 98 (Committee on Budget and Fiscal Review), Chapter 24, Statutes of 2020**, known as the “Early Childhood Development Act” transferred all childcare programs, with the exception of CSPP, from CDE to CDSS, commencing July 1, 2021. The migrant childcare program will be included in the transfer to CDSS.

**REGISTERED SUPPORT / OPPOSITION:****Support**

Community Action Partnership of Kern (Sponsor)  
California Alternative Payment Program Association  
First 5 California  
National Association of Social Workers, California Chapter  
United Ways of California (UWCA)

**Opposition**

None on file

**Analysis Prepared by:** Debra Cooper / HUM. S. / (916) 319-2089