



ASSEMBLYWOMAN QUIRK-SILVA, 65TH DISTRICT

AB 865 (QUIRK-SILVA): CHILD CARE SERVICES: ALTERNATIVE PAYMENT PROGRAMS

SUMMARY

AB 865 would allow for family child care providers and centers to be reimbursed based on a family's maximum certified hours of need and not based on attendance. Further, it would require the State make direct deposit of contractor allocations and greater use of electronic communications to best support the needs of families.

BACKGROUND

The Child Care and Development Services Act (CCDSA) provides a comprehensive, coordinated, and cost-effective system of child care and development services, for children from infancy to 13 years of age, and their parents, through full- and part-time programs.

For 45 years, community based Alternative Payment Programs (APPs) have contracted with the California Department of Education (CDE), to provide one-on-one support and information to income eligible families on child care, nutrition, health care, housing and more.

Prior to the pandemic, there were roughly 40,000 family child care provider businesses. Since the pandemic, an estimated 5,500 family child care homes and 9,200 child care centers have closed in California.

California's child care and early learning system is carried mainly on the backs of low-income Black and Brown women who are struggling more than ever to make ends meet. Our subsidized child care system further harms the fiscal health of these family child care providers by only allowing for reimbursement when a family actually shows up. It does not factor in that a family child care provider must hold the slot for a child regardless of whether the child is in attendance or not. In the private sector, a payment for a child care slot is paid in full regardless of usage.

During the pandemic, Governor Newsom signed an executive order enacted in SB 820¹ that recognized family child care providers be reimbursed the amount on a child care certificate of an eligible family regardless of attendance. This allows family child care providers to more accurately plan and budget.

However, the language included in SB 820 will expire and needs immediate remedy.

As of January 22, 2021, the average annual pay for a child care provider in the United States is \$22,476 a year. "California ranks number 14 out of 50 states nationwide for Child Care Provider salaries." On average a child care provider in California makes \$22,342 per year or (1%) less than the national average annual salary of \$22,476.

SOLUTION

AB 865 will lessen the financial hardships imposed on California's family child care providers. Further, it will remove discrepancies on family child care providers that accept subsidized families and allow for parity with private pay providers. The main highlights include:

- Allow family child care providers to be reimbursed for the full amount of the certificated hours noted on a subsidized child care certificate and not on attendance.
- Allow child care contractors, family child care providers and subsidized families the use of electronic means in order to best meet the needs of families.
- Require direct deposit from the Controller to contractors. During COVID, many contractors struggled with cash flow issues. It would take weeks to share data with the Controller's office for processing of checks, which in turn would take an addition one to three weeks for hard copy checks to be dropped in the mail.

SUPPORT

- California Alternative Payment Program Association (CAPP) - Sponsor

CONTACT

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¹ [Bill Text - SB-820 Education finance.](#)