

February 23, 2022

The Honorable Lisa Calderon  
Chair, Assembly Human Services  
1020 N Street, Room 159  
Sacramento, California 95814

**Re: AB 1649 (Quirk-Silva): Equal Access to Childcare for Low-Income Families – SPONSOR LETTER**

Dear Chair Calderon,

On behalf of the California Alternative Payment Program Association (CAPPA) we are proud to sponsor AB 1649 (Quirk-Silva). This critical legislation is desperately needed to ensure that our poorest of working families, mainly single moms and moms of color, who work on-call or have unstable work schedules have the same access and choices to all types of child care settings as other subsidized families. Further, this bill will also help stabilize and keep afloat California's struggling family child care providers and centers by reimbursing them a static amount each month that child care is provided.

Prior to the pandemic, there existed inequity in our lowest income subsidized families being able to access higher quality family child care homes and centers. For families with a set or stable work schedule, they are issued a set amount in form of a voucher for them to purchase child care while they work. This set amount voucher assures those family child care business owners that accept subsidized vouchers a set amount that they can budget each month for the care delivered to a family. However, for a family with an unstable work schedule, they were issued a child care voucher with an amount noted that is parceled out based on the attendance of a child. Therein lies the problem. Both families are income eligible to receive a subsidized child care voucher to go purchase child care but the family with a set work schedule had a voucher that guaranteed a set monthly reimbursement while the family with an unstable work schedule could not provide any such guarantee.

During the COVID-19 pandemic, Governor Newsom issued Executive Order N-45-20<sup>i</sup>, enacted in SB 820 (2020)<sup>ii</sup>, to stabilize child care providers and centers by requiring state agencies to reimburse all family child care providers and centers based on the maximum certified hours of need of an eligible family, rather than actual hours of care provided. The rationale for this action was that family child care providers and centers as business owners have ongoing operational costs and staff salaries to pay regardless of the attendance of a child. It also was recognized that if a child does not show up, the child care slot cannot be readily filled and the provider is left with a financial shortfall. This rationale holds true whether in or outside of a pandemic.

The above Executive Order coupled with federal relief and guidance from the U.S. Department of Health and Human Services<sup>iii</sup> were instrumental in reducing the exodus of providers, supporting more child care assistance vouchers for income eligible and essential worker families, and ensuring all families had equitable and fair access to all child care settings until June 30, 2021. To further support the family child care provider and center workforce with stability, and continuing to allow all families equitable access to all child care settings, the language to continue fair and equitable access to all child care was incorporated into AB 131<sup>iv</sup> and the sunset date extended until June 30, 2022.

Assembly Bill 1649 will eliminate the June 30, 2022 Sunset Date and allow all subsidized child care vouchers to be reimbursed in the same guaranteed way in perpetuity.

California's poorest working families should not be pitted against each other. In the private pay market, when a family secures a child care slot in either a family child care home setting or in a center, that family is expected to pay a set amount for the slot being help specifically to serve a family. It is exactly the same scenario in the subsidized child care market. Family child care providers and centers that accept a voucher as reimbursement for care budget a specific amount per slot based on capacity to cover the cost of providing care. To expect a child care business to take on the financial risk of uncertain reimbursement for holding a slot for a subsidized family is simply not a reasonable risk.

**California's early childhood workforce**<sup>v</sup>, is a field dominated by women of color, is wracked by poverty wages, high turnover and inequity. Although the Budget Act of 2021 implemented use of a newer Regional Market Rate Ceiling Survey<sup>vi</sup>, the reimbursement rates continue to fall below livable amounts. Even with the implementation of a new RMR survey and rate ceilings, on average family child care providers receive between \$5.52 to \$10.50 on average.

Additionally, AB 1649 will put California in compliance with federal recommendations. To help ensure equal access to child care, the Child Care and Development Fund (CCDF) 2016 Final Rule<sup>vii</sup> gave states maximum flexibility "to provide assurance that, to the extent practicable, enrollment and eligibility policies support the fixed costs of providing child care services by delinking provider payment rates from an eligible child's occasional absences in accordance with § 98.45(l)."

If AB 1649 is not enacted, our poorest families have inequitable access to child care, families will be discriminated against, and families with fluctuating work schedules who currently have their babies and children in stable family child care homes or centers will face the real possibility of being disenrolled. CAPP has been made aware of an owner of 22 child care centers serving parts of central California is preparing to disenroll over 640 subsidized children in early June 2022 because he simply cannot afford to take on the financial risk. And the families with the unstable work schedules are parents that work in agriculture, food service and in the hospitals to name a few.

For California's economy to strengthen, parents need accessible and stable child care to both re-enter the workforce and to continue with their employment. We respectfully ask your "aye" vote on this critical legislation.

Thank you,



Denyne Micheletti Colburn, CEO  
CAPP

CC: Member of the Assembly Human Service Committee  
Assemblymember Sharon Quirk-Silva

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<sup>i</sup> [4.4.20-EO-N-45-20 \(ca.gov\)](#)

<sup>ii</sup> [Bill Text - SB-820 Education finance.](#)

<sup>iii</sup> [CCDF-ACF-IM-2021-01 \(hhs.gov\)](#)

<sup>iv</sup> [Bill Text - AB-131 Child development programs. \(ca.gov\)](#)

<sup>v</sup> [Interactive Map - Early Childhood Workforce Index 2020 - CSCCE \(berkeley.edu\)](#)

<sup>vi</sup> [Reimbursement Ceilings for Subsidized Child Care - Child Development \(California Dept of Social Services\)](#)

<sup>vii</sup> [Federal Register :: Child Care and Development Fund \(CCDF\) Program](#)