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COMMITTEES AGING AND LONG-TERM CARE BUDGET JUDICIARY LABOR AND EMPLOYMENT UTILITIES AND ENERGY BUDGET SUBCOMMITTEE NO. 2 ON EDUCATION FINANCE LEGISLATIVE ETHICS

AB 92: Child Care Family Fees

SUMMARY

This bill alleviates the burdens that families face in paying for child care by creating an equitable sliding scale for family fees. Additionally, AB 92 temporarily waives family fees for all families through 2023.

EXISTING LAW/BACKGROUND

California is one of the most expensive states for parents who need child care services. In Los Angeles County and statewide, the average twoparent working family spends around 20% of their annual income on child care.

While there are a number of State and Federallyfunded programs that help families pay for child care, families who need care must still pay family fees which can make subsidized care unaffordable. Many California families pay hundreds of dollars per month, up to \$645, in family fees. With limited disposable income, working families struggle to pay high fees and are forced to make difficult decisions about their basic needs such as food, shelter, clothing, and keeping up with fee payments. A recent study found that, in Sacramento County, at least 10% of families paying fees are on payment plans for back fees they have been unable to afford.

These families are at significant risk of losing their subsidized child care which can, in turn, jeopardize their employment or education. This places them at greater risk of reliance on the state's other welfare programs and prevents families from rising out of poverty and gaining wealth. As their income increases, so do their family fees, which then erases any economic gains they have made. The COVID-19 pandemic has only heightened the need for affordable child care for families and communities of color, who are a significant part of California's essential workforce. In light of the public health crisis and economic recession, parents need affordable child care now more than ever in order to continue providing for their families.

THIS BILL

AB 92 will convene a workgroup of parents, child care providers, state lead agency staff, and other stakeholders to create an equitable sliding scale for family fees. This bill will ensure the revised family fees do not exceed 1% of a family's monthly income and that no family earning below 75% of the state median income (SMI) pays family fees.

AB 92 protects child care providers by ensuring they do not absorb the cost of a reduction in family fees and that the number of child care spaces are not reduced. Additionally, this bill will temporarily waive family fees for all families through 2023 to reduce the hardships of the Covid-19 pandemic and as permitted under federal law.

By increasing the affordability of child care to working families, AB 92 will benefit the economic recovery of the state by helping parents remain in the workforce and achieve economic stability.

SUPPORT

Parent Voices (Co-Sponsors) Child Care Resource Center (Co-Sponsors) Child Care Law Center (Co-Sponsors) California Child Care Resource and Referral Network (Co-sponsors) American Association of University Women (Cosponsor) Alliance of Californians for Community **Empowerment (ACCE) Action** C5 Children's School **California Alternative Payment Program** Association California Association of Student Councils California Commission on the Status of Women and Girls California Family Child Care Network California Women's Law Center **California Work and Family Coailition** Child Action, Inc. Child Care Alliance of Los Angeles Child Care Providers United (CCPU) **Children** Now Children's Council of San Francisco Clergy and Laity United for Economic Justice **Coalition of California Welfare Rights** Organizations **Community Change Action** Community Child Care Council of Sonoma County **County of San Bernardino Courage California** Early Care and Education Consortium Early Care Educators of San Francisco Early Edge California **Equal Rights Advocates** EveryChild California Family Child Care Association of San Francisco First 5 California First 5 San Bernardino **Good Samaritan Family Resource Center** Indivisible CA Statestrong Kai Ming Head Start Kidango Los Angeles Unified School District Low Income Investment Fund National Council of Jewish Women (NCJW) Parent Voices San Francisco Parent Voices of San Mateo County San Francisco Child Care Planning and Advisory Council San Francisco ECE Advocacy Coalition Silicon Valley Community Foundation

The Children's Partnership The Future of Supporting Family Child Care True Sunshine Preschool Center Untitled No. 1 School Women's Foundation California Work Equity Action Fund Wu Yee Children's Services