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Senator Nancy Skinner
Chair of the Joint Legislative Budget Committee
% Hans Hemann, Consultant
1020 N Street, Room 553
Sacramento, CA 95814

Dear Chairperson Skinner and Joint Legislative Budget Committee Members,

We write to you on behalf of over 100 organizations and individuals who have been working closely with parents, child care providers and child care agencies throughout the pandemic. We thank you for your leadership and for crafting policies that have alleviated some of the toll of COVID-19 on our communities. The estimated \$1 billion California will soon receive pursuant to the federal Consolidated Appropriations Act of 2021 will bring much relief to parents who need child care now and allow child care providers to safely stay open and reopen.¹

While we greatly welcome these federal emergency funds that must be used to *supplement, not supplant* our state revenue dollars for child care assistance, this amount unfortunately still falls short of meeting the needs of all families who need affordable, safe child care most and keeping all child care providers from permanently shutting down.² Therefore, the state must ensure this federal allocation is used for the highest priorities identified by parents and child

¹ Consolidated Appropriations Act, 2021, PL 116-260, Dec. 27, 2020, 134 Stat 1182, <https://www.congress.gov/bill/116th-congress/house-bill/133/text/enr>. The actual estimated amount is \$1,005,065,505. The Center for Law and Social Policy, *Child Care Relief Funding in the Year-End Stimulus Deal: A State-by-State Estimate*, Dec. 2020, <https://www.clasp.org/publications/fact-sheet/covid-relief-stimulus-child-care-state-estimates?emci=fa2aebd5-8344-eb11-a607-00155d43c992&emdi=022bebd5-8344-eb11-a607-00155d43c992&ceid=2841766>.

² Consolidated Appropriations Act, 2021, PL 116-260, Dec. 27, 2020, 134 Stat 1182, <https://www.congress.gov/bill/116th-congress/house-bill/133/text/enr> (“For an additional amount for “Payments to States for the Child Care and Development Block Grant”, \$10,000,000,000 to prevent, prepare for, and respond to coronavirus, domestically or internationally which shall be used to supplement, not supplant State, Territory, and Tribal general revenue funds for child care assistance for low-income families within the United States (including territories) without regard to requirements in sections 658E(c)(3)(D)–(E), or 658G of the Child Care and Development Block Grant Act (“CCDBG Act”).”).

care providers, and that this assistance reaches them immediately. We also thank Governor Newsom for his commitment to assuring that this \$1 billion of federal money is in addition to the *investment of state funds* that will be allocated to child care.

Child care providers and working parents are the backbone of our communities. Child care providers ensure our children are healthy, happy and learning. Parents work hard to provide for their own families and keep our economy running.

Prior to 2020, parents already struggled to find and pay for child care. In 2019, licensed child care was available for only 24.5% of children with working parents throughout California.³ In some counties, the percentage of child care availability was even worse. Our licensed child care supply now far exceeds crisis levels — since the beginning of the pandemic, an estimated 5,500 family child care homes and 9,200 child care centers have closed in California.⁴ At the same time, parents typically pay 15 to 35 percent of their income on child care in California.⁵ Nearly two million children eligible for state administered child care do not receive it.⁶ The unavailability and expense of child care disproportionately impacts Black and Brown families more than ever at this time.

Child care providers, most of whom are women of color and immigrants in our state, earn on average \$30,000 per year, a disparaging amount for one of the most important jobs in the world — caring for and teaching our children. Family child care providers and family, friend, and neighbor providers make even less.⁷ Family child care providers and child care centers who do not receive payment with child care subsidies are also bearing the brunt of the pandemic. It is critical that these providers, many of whom are also women of color and were excluded from receiving CARES Act funding, also receive assistance now.

³ Data collected by the California Child Care Resource & Referral Network and provided to the Lucile Packard Foundation for Children’s Health, *Kidsdata.org* (2019), <http://www.kidsdata.org>.

⁴ Data reported by the Cal. Dep’t of Social Services as of Jan. 12, 2021. 5,494 family child care providers have closed from Jan 2020 to Jan 2021; 9,212 child care centers have closed from Mar. 1, 2020 to Dec. 31, 2020. The numbers include family child care homes and centers that temporarily closed and permanently closed. Some family child care homes and child care centers have closed multiple times throughout the year.

⁵ The California Child Care Resource & Referral Network, *California Child Care Portfolio* (2019), <https://rrnetwork.org/assets/general-files/California-06-20.pdf>.

⁶ CA Budget & Policy Center, *Exploring the Unmet need for Subsidized Child care and Development Programs in California* (2017), https://calbudgetcenter.org/wp-content/uploads/2019/02/Kristin-Schumacher_ChildCare-Webinar_02.25.2019.pdf. [the number cited for the 2017-2018 budget year was 1,804,000. We know this number has increased since, especially in 2020].

⁷ Bureau of Labor Statistics, U.S. Department of Labor, May 2019 State Occupational Employment and Wage Estimates California, <https://www.bls.gov/oes/current/oes399011.htm>.

To say that child care providers and working parents on the frontlines of this pandemic are carrying the heaviest burdens is an understatement. They are risking their lives for all of us, and thousands have tragically died and continue to die doing so. The disproportionate negative impacts of the pandemic on Black and Brown families are only getting worse and will last for generations. Accordingly, we respectfully urge you to allocate the federal \$1 billion on the following recommendations to help keep families safe and ameliorate COVID's havoc on our most divested communities. The priorities below are based on feedback from parents and child care providers, and are permissible under the Consolidated Appropriations Act of 2021.

1. **Waive family fees:** Family fees must be waived for all families with child care subsidies until October 2022, while ensuring that family child care providers are paid the full subsidy amount, including the family fee, and there is no decrease in the amount of child care vouchers. This recommendation is allowed pursuant to the Consolidated Appropriations Act of 2021.⁸
2. **Increase the number of child care vouchers:**
 - a. All essential workers who need child care must receive it, irrespective of their income as authorized by the Consolidated Appropriations Act, 2021.⁹ Vouchers should be targeted to the most underserved communities and regions of the state that face the greatest shortfall in subsidies.
 - b. Ensure funding for the Migrant Alternative Payment Program to support essential agricultural workers, and direct funding to regions of the state that face a shortfall. The Migrant Alternative Payment Program did not receive any CARES Act dollars.¹⁰

⁸ Consolidated Appropriations Act, 2021, PL 116-260, Dec. 27, 2020, 134 Stat 1182, <https://www.congress.gov/bill/116th-congress/house-bill/133/text/enr>. ("That funds appropriated under this heading in this Act may be used for costs of providing relief from copayments and tuition payments for families and for paying that portion of the child care provider's cost ordinarily paid through family copayments to provide continued payments and assistance to child care providers in the case of decreased enrollment or closures related to coronavirus, and to assure they are able to remain open or reopen as appropriate and applicable, including for fixed costs and increased operating expenses." The federal definition of "co-payments" is "family fees" in California.)

⁹ *Id.* "[S]tates, Territories, and Tribes are authorized to use funds appropriated under this heading in this Act to provide child care assistance to health care sector employees, emergency responders, sanitation workers, farmworkers, and other workers deemed essential during the response to coronavirus by public officials, without regard to the income eligibility requirements of section 658P(4) of such Act..."

¹⁰ Our understanding is that the Migrant Alternative Payment Program was unintentionally excluded from receiving CARES Act funding because the Program is tied to the Standard Reimbursement Rate structure, even though this program receives only vouchers and must comply with all Alternative Payment Program reporting requirements. Accordingly, we believe the Migrant Alternative Payment Program must be explicitly named to receive funding.

3. **Family child care providers and child care centers must be paid based on enrollment, not attendance:**
 - a. Child care providers paid with subsidies and child care centers directly contracted with the state must be paid based on child enrollment, not attendance, including when the family child care home or child care center must close due to COVID-19. There should be no limit to the number of days a family child care provider or direct contracting center must be paid when closed due to COVID-19. The Consolidated Appropriations Act of 2021 encourages states to delink attendance from enrollment.¹¹
 - b. Child care providers and their employees not paid with child care subsidies or a state contract must receive funds when they cannot work due to COVID-19.¹² The Consolidated Appropriations Act of 2021 encourages states to use the funds to continue paying the wages and salaries of staff.¹³

4. **Establish a “crisis” factor rate:** All child care providers and legally licensed-exempt providers who are paid with subsidies must receive an enhanced “crisis” factor rate to pay for increased costs related to remote learning, necessary cleaning and sanitation supplies, and other activities necessary to remain open and reopen.¹⁴

¹¹ Consolidated Appropriations Act, 2021, PL 116-260, Dec. 27, 2020, 134 Stat 1182, <https://www.congress.gov/bill/116th-congress/house-bill/133/text/enr>. (“That lead agencies are encouraged to implement enrollment and eligibility policies that support the fixed costs of providing child care services by delinking provider reimbursement rates from an eligible child's absence and a provider's closure due to the COVID–19 public health emergency.”).

¹² Based on the Consolidated Appropriations Act, 2021 language, guidance from the Office of Child Care and conversations with our federal partners, we interpret the Act to allow for the Lead Agency to use these funds to support child care providers who do not receive child care subsidies funded by the Child Care Development Fund (CCDF).

¹³ Consolidated Appropriations Act, 2021, PL 116-260, Dec. 27, 2020, 134 Stat 1182, <https://www.congress.gov/bill/116th-congress/house-bill/133/text/enr>. (“[S]tates, Territories, and Tribes are encouraged to place conditions on payments to child care providers that ensure that child care providers use a portion of funds received to continue to pay the salaries and wages of staff.”)

¹⁴ *Id.*, allowing the state to spend the funds on “other activities necessary to maintain or resume the operation of programs” and “to remain open or reopen as appropriate and applicable.” The Consolidated Appropriations Act, 2021 is silent on whether the state can use this allocation to build new child care facilities.

5. **Stipends for all child care providers:** All family child care providers and child care centers, irrespective of whether they are paid with child care subsidies, have increased costs related to COVID-19 such as sanitizing facilities and equipment, maintaining safe ratios for social distancing, PE equipment, supporting online learning, and staying open and re-opening after a closure due to COVID-19. The stipends must also be available to providers who have decreased enrollment because families are sheltering in place or who are themselves sick. The roll-out of these stipends should be rolled-out via the process developed during COVID, without additional state agency administrative requirements, as to minimize the delay of delivering these funds.

Our understanding is that the first \$300 million of the federal funds will be spent in accordance with Section 112 of Senate Budget Bill 820 (2020-2021) and that there may be some flexibility with the specifics of this allocation. Our above recommendations are in large part consistent with Section 112 of Senate Budget Bill 820 (2020-2021) and address gaps therein.

Our history of racially unjust policy-making has not only harmed Black and Brown families, it has harmed us ALL by fracturing our interdependence as a community. How this money is spent is a reflection of our values, our shared vision for the future, and the honest realities of the pandemic. The federal \$1 billion is an opportunity for California to show its commitment to racial equity, economic justice, and the development of our children.

Respectfully,

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Cristina Alvarado, Child Care Alliance of Los Angeles

Denyne Micheletti Colburn, California Alternative Payment Program Association (CAPPA)

Linda Asato, California Child Care Resource & Referral Network

Donna Sneeringer, Child Care Resource Center

Nina Buthee, EveryChild California

Mary Ignatius, Parent Voices

Tiffany Whiten, Service Employees International Union (SEIU) California/Child Care Providers United

Beverly Yu, Child Care Providers United – United Domestic Workers of America

Margot Grant Gould, First 5 Association of California

4Cs of Alameda County

Afsheen Afzal Family Child Care Dublin

Alexander Pre School & Child Care

Alexandria's Angels Daycare

Aly's Angels Family Child Care
Associated Students of SF State
Auntie M's Little Blessings Family Childcare
Bailey Family Child Care
BANANAS
Betty Day Care
BK Preschool
Blanca Carrillo Child Care
Bubbles Daycare
CAAEYC
Calderon Family Child Home Day Care
California Family Child Care Network
California Family Child Care Network
California Montessori School
Callejo Inc. Childcare
Canyon Rim Children's Center, Inc.
Celia Flores's Family Day Care
Changuitos Childcare
Charity's Child Care
Child Care Providers United – United Domestic Workers of America
Child Development Associates
Child Development Resources of Ventura County, Inc.
Childcare Business Institute
City of Norwalk, Child Development Program
Coastal Community Preschool
Connections for Children
Contreras Early Education and Child Care Inc.
Council for a Strong America
Creative Learning Key Family Child Care
Crystal Stairs
Danika's Home Childcare
Delightful Daycare
DKC Daycare
Eagles Nest Preschool
Early Care and Education Consortium
Early Edge California
El Camino Kids Klub
Encino Creative Kids
Family Resource & Referral Center of San Joaquin
First 5 Fresno County
First 5 Los Angeles
Fran Cherlow, Licensed Marriage and Family Therapist
Funshine Family ChildCare
Claudia Garcia

GiggleZ
Great Expectations Early Learning Place
Green Daycare
Hansel & Gretel Daycare & Preschool
Heaven's Kare
Image4Life Enterprises Ltd
Inch by Inch
Danelle Ingalls
J & S Daycare
Johnson's Family Childcare
Joius Beginnings Learning Center
KaringKaren Licensed Family Childcare
Kidango
Kids Place
KinderKirk Preschool
La Habra Montessori
Les Petits Papillons
Leticia Daycare
Little Bee Academy
Lucy's Family Childcare
Lue Lue's Family Childcare
Maria FineteFamily Child Care
Marin Child Care Council
Merced County Office of Education
Mexican American Opportunity Foundation (MAOF)
Millender Family Child Care
Miller's Preschool Montez Family Daycare
Miss Kathy's Child Care & Preschool
Neighborhood Playgarden
Nelly's Childcare & Preschool
Northern Directors Group
Oak Park Neighborhood School
Options for Learning
Owls Nest Family Day Care
Patel Family Child Care
Pathways LA
Jeanna Plessen
Poppy Montessori
Precious Little Heartbeat Child Care
Mitzy Roque
Sailors Preschool and Family Childcare
San Diego for Every Child
Selina Chen Family Childcare
Siehmonb Childcare Learning & Development Center

St. Therese Family Daycare
Susi's Playhouse
The Rivera Family Childcare
Theresa's Childcare
Tiny Champs Child Care
Tonia McMillian, Family Child Care Provider, Kiddie Depot
Ana Torres
United Ways of California
Valley Oak Children's Services
Vargas Family Daycare
Steve Voss
YMCA Childcare Resource Service of San Diego
YMCA of the East Bay
Sherese Young

Cc: Governor Newsom
Senator Atkins, California Senate President pro Tempore
Assemblymember Rendon, California State Assembly Speaker
Assemblymember Ting, Chair, Assembly Budget Committee
Assemblymember McCarty, Chair, Assembly Education Finance Sub. 2
Assemblymember Arambula, Chair, Assembly Health & Human Services Finance
Committee Sub. 1
Senator Laird, Chair, Education Finance Committee Sub. 1
Senator Eggman, Chair, Health & Human Services Finance Committee Sub. 3
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Kim Johnson, Director, CA Department of Social Services
Tony Thurmond, State Superintendent of Public Instruction and Director of Education
Sarah Neville-Morgan, Deputy Superintendent of Public Instruction
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