

Date of Hearing: April 26, 2023

ASSEMBLY COMMITTEE ON EDUCATION

Al Muratsuchi, Chair

AB 679 (Wicks) – As Amended March 21, 2023

[Note: This bill is double referred to the Assembly Human Services Committee and was heard by that Committee as it relates to issues under its jurisdiction.]

SUBJECT: Family childcare homes: meals: reimbursement rates

SUMMARY: Requires a school district or county superintendent of schools maintaining kindergarten or any of grades 1 to 12, inclusive, to provide two school meals free of charge during each schoolday to any pupil who requests a meal without consideration of the pupil's eligibility for a federally funded free or reduced-price meal, with a maximum of one free meal for each meal service period, except for family childcare homes that are required to be reimbursed for 100% of the eligible meals served. Specifically, **this bill:**

- 1) Requires a school district or county superintendent of schools maintaining kindergarten or any of grades 1 to 12, inclusive, to provide two school meals free of charge during each schoolday to any pupil who requests a meal without consideration of the pupil's eligibility for a federally funded free or reduced-price meal, with a maximum of one free meal for each meal service period, except for family childcare homes that are required to be reimbursed for 100% of the eligible meals served. Requires the meals provided be nutritiously adequate meals that qualify for federal reimbursement.
- 2) Defines "family childcare homes" to have the same meaning as "family daycare homes" as that term was used on and before December 31, 2023.
- 3) Makes conforming changes.

EXISTING LAW:

- 1) Requires, commencing with the 2022–23 school year all of the following:
 - a) A school district or county superintendent of schools maintaining kindergarten or any of grades 1 to 12, inclusive, to provide two school meals free of charge during each schoolday to any pupil who requests a meal, without consideration of the pupil's eligibility for a federally funded free or reduced-price meal, with a maximum of one free meal for each meal service period, except for family daycare homes which are required to be reimbursed for 75% of the meals served. Requires the meals provided to be nutritiously adequate meals that qualify for federal reimbursement;
 - b) A charter school to provide two school meals free of charge during each schoolday to any pupil who requests a meal, without consideration of the pupil's eligibility for a federally funded free or reduced-price meal, with a maximum of one free meal for each meal service period. Requires the meals provided to be nutritiously adequate meals that qualify for federal reimbursement; and

- c) An LEA that has a reimbursable school breakfast program to not charge any pupil enrolled in transitional kindergarten, kindergarten, or any of grades 1 to 12, inclusive, any amount for any breakfast served to that pupil through the program, and to provide a breakfast free of charge to any pupil who requests one, without consideration of the pupil's eligibility for a federally funded free or reduced-price meal. Requires the meals provided free of charge to be nutritiously adequate, and count toward the total of two school meals required to be provided each schoolday. (Education Code (EC) 49501.5)
- 2) Requires each school district, or county superintendent of schools maintaining any kindergarten or any of grades 1 to 12, inclusive, to provide for each needy pupil one nutritionally adequate free or reduced-price meal during each schoolday. (EC 49550)
- 3) Requires a charter school to provide each needy pupil with one nutritionally adequate free or reduced-price meal during each schoolday. Requires a charter school that offers nonclassroom-based instruction to meet the requirements for any eligible pupil on any schoolday that the pupil is scheduled for educational activities lasting two or more hours at a schoolsite, resource center, meeting space, or other satellite facility operated by the charter school. (EC 47613.5)
- 4) Requires childcare programs operating under California Code of Regulations Title 22 to offer meals or snacks to children, as follows: full-day programs must provide lunch as well as a mid-morning and mid-afternoon snack; part-day programs must provide a mid-morning or mid-afternoon snack. Further requires that snacks include at least one serving from each of two or more food groups. (22 California Code of Regulations (CCR)101227)
- 5) Defines "child daycare facility" to mean a facility that provides nonmedical care to children under 18 years of age, as specified, including daycare centers, employer-sponsored childcare centers, and family daycare homes. (Health and Safety Code Section (HSC) 1596.750)
- 6) Defines "family daycare home" to mean a facility that regularly provides care, protection, and supervision for 14 or fewer children, in the provider's own home, for periods of less than 24 hours per day, while the parents or guardians are away, and is either a large family daycare home or a small family daycare home, as defined. (HSC 1596.78)
- 7) Establishes the "Childcare and Development Services Act" to provide childcare and development services as part of a coordinated, comprehensive, and cost-effective system serving children from birth to 13 years of age and their parents including a full range of supervision, health, and support services through full- and part-time programs. (Welfare and Institutions Code (WIC) 10207)
- 8) Defines "needy children" to mean children eligible for California Work Opportunity and Responsibility to Kids (CalWORKs). (EC 49501)
- 9) Establishes CalWORKs eligibility to families with related children under the age of 18 years of age, in need because they have been deprived of parental support or care due to:
 - a) The death, physical or mental incapacity, or incarceration of a parent;
 - b) The unemployment of a parent or parents; or,

- c) Continued absence of a parent from the home due to divorce, separation, or desertion. (WIC 11250)
- 10) Provides that it is the policy of this state that no child be hungry while attending a preschool program, and that preschools have an obligation to provide for the nutritional needs of children in attendance. (EC 8204)
- 11) Establishes the Child and Adult Care Food Program (CACFP) as a state and federally funded Child Nutrition Program that provides reimbursements for nutritious meals and snacks to eligible children and adults who are enrolled for care at participating childcare centers, daycare homes, and adult daycare centers. Requires that CACFP provides reimbursements for meals served to children and youth participating in afterschool care programs, children residing in emergency shelters, and adults over 60, or living with a disability and enrolled in daycare facilities. (42 United States Code (USC) 1766)
- 12) Establishes the childcare component of CACFP to provide reimbursement to licensed and license-exempt childcare centers and daycare homes for healthy meals and snacks. (42 USC 1766)

FISCAL EFFECT: Unknown

COMMENTS:

Need for the bill. According to the author, “Childcare is the largest setting to support access to nutritious foods during the critical early years of development. However, existing law in California only reimburses 75% of the meals served to the children in their care, and family childcare providers are forced to make up the difference. The reimbursement rate gap results from a racist legacy of childcare laws—still in place today—that undervalue and underpay labor historically performed by Black, Latina, and immigrant women. AB 679 offers a method to eliminate burdensome costs that disproportionately impact low-income families of color throughout the state. AB 679 invests in our children's nutrition and our state's childcare workforce and builds upon California's commitment to creating a sustainable childcare system that works for all children, parents, and providers.”

This bill seeks to create parity in food reimbursement among the state and federally subsidized childcare programs in the state. Licensed family childcare home providers are currently reimbursed only for 75% of the eligible meals served, and this bill would change that threshold to 100% for family childcare home providers. Many childcare facilities are struggling to stay open, pay staff, and enroll children due to rising rates of inflation and continued impacts of the COVID-19 pandemic.

School meal reimbursement rates. School meal reimbursement, by both the federal government and the state, varies each year. In order to receive reimbursement, schools must follow a certain meal pattern determined by the USDA. Depending on the age range of the students served, a full meal consists of a specified amount of fruits, vegetables, grains, meat/meat alternative, and milk. Most schools throughout the state participate in “offer versus serve,” which allows a student to pick three of the aforementioned five components in order for the school to receive full reimbursement for that student’s meal.

The federal school lunch reimbursement rates are \$4.41 for free lunch and \$4.01 for reduced priced lunch. Schools that serve more than 60% low income students receive \$0.02 more for both free and reduced priced lunches, as shown in the chart below.

National School Lunch Program

Description	Free	Free+8 cents*	Reduced-Price	Reduced-Price+8 cents*	Paid	Paid+8cents*
Agencies that served less than 60% free/reduced-price lunches in 2021–22	\$4.33	\$4.41	\$3.93	\$4.01	\$0.77	\$0.85
Agencies that served 60% or more free/reduced-price lunches in 2021–22	\$4.35	\$4.43	\$3.95	\$4.03	\$0.79	\$0.87
Commodity Value	\$0.4300	\$0.4300	\$0.4300	\$0.4300	\$0.4300	\$0.4300

Note: Payments listed for free and reduced-price lunches include both section 4 and section 11 funds of the National School Lunch Act.

(Source: CDE, 2022-23 school year)

Beginning with the 2022-23 school year, the state requires school districts and charter schools to provide two free meals per day to all students, regardless of free meal eligibility. The state reimburses school districts and charter schools for the cost of the meal, up to the federal free meal reimbursement rates for all students who are not eligible for federal free meals.

Meal funding for children. Reimbursement rates for meals vary based on setting. Non-residential childcare providers are permitted to apply for reimbursement through the Child and Adult Care Food Program (CACFP), as described below. Until last year, childcare centers and family childcare homes did not receive supplementary funding for meals provided by the state unless they were sponsored by a public school food authority.

Family childcare home providers are temporarily approved for an increase in the CACFP reimbursement due to the federal Keep Kids Fed Act as an effort to help pandemic-related challenges. This authorization will expire on June 30, 2023. However, state law only provides that family childcare home providers receive reimbursement for 75% of the eligible meals they serve despite providing care to low-income children who would be eligible to generate 100% reimbursement if they were enrolled in a center-based childcare program.

The Child and Adult Care Food Program (CACFP). The CACFP is a federal program administered through the U.S. Department of Agriculture (USDA) that provides reimbursements for nutritious meals and snacks to eligible children and adults who are enrolled for care at participating childcare centers, day care homes, and adult day care centers. CACFP also provides reimbursements for meals served to children and youth participating in afterschool care programs, children residing in emergency shelters, and adults over the age of 60 or living with a disability and enrolled in day care facilities. The 2022-23 CACFP reimbursement rates are effective from July 1, 2022, through June 30, 2023, and the rates include temporary increased reimbursement authorized by the federal Keep Kids Fed Act, which expires on June 30, 2023.

Breakfast	Lunch/Supper	Snacks
\$1.66	\$3.04	\$0.97

Research related to food insecurity. According to the American Public Health Association, “Participation in food assistance programs declined in 2018 because of fear that using government assistance could lead to immigration repercussions, yet household food insecurity has been on the rise— 9.9% in 2007 to 17.8% in 2018 among immigrant families in the U.S.”

According to the USDA, the NSLP and other USDA child nutrition programs provide nutritious foods that help reduce the harmful impact of food insecurity and improve outcomes for children. In 2014 and 2015, 84% of low-income food-insecure households with school-age children accessed free or reduced-price lunches through the NSLP, either in combination with USDA’s Supplemental Nutrition Assistance Program (SNAP) benefits (46%), which provide food and nutrition assistance to low-income Americans, or alone (38%). An estimated 6% of low-income food-insecure households with school-age children received SNAP benefits, but not free or reduced-price school lunches, and 10% did not participate in either program.”

Food insecurity during the COVID-19 pandemic. According to a 2020 article the American Journal of Public Health, *Food Insecurity During COVID-19: An Acute Crisis With Long-Term Health Implications*, as of March and April 2020, national estimates of food insecurity more than tripled to 38%. Among adults with incomes less than 250% of the 2020 federal poverty level (based on thresholds from the US Census), 44% of all households were food insecure including 48% of Black households, 52% of Hispanic households, and 54% of households with children.

According to a 2021 Centers for Disease Control research brief in Preventing Chronic Disease: Public Health Research, Practice, and Policy, *Very Low Food Security Among Low-Income Households With Children in California Before and Shortly After the Economic Downturn From COVID-19*, low-income households with children in California were surveyed before and during the pandemic for levels of very low food security (VLFS). From April 27 to July 21, 2020, 14% of mothers reported VLFS versus 19.3% from November 21, 2019, to March 14, 2020, suggesting that existing systems to quickly obtain food assistance benefits in California and new federal benefits available in response to COVID-19 may have reduced VLFS.

Arguments in support. The California Alternative Payment Program Association (CAPPA) writes, “All children deserve to be well nourished and thrive. It is the current policy of this state that no child be hungry while attending a preschool program, and that preschools have an obligation to provide for the nutritional needs of children in attendance. Even with this policy, California fails to fairly invest in nourishing our kids in care and supporting child care providers. Each year, child care providers absorb hundreds of millions of dollars in costs for meals served to children, despite the fact that they are already operating on razor thin margins. AB 679 will move the state closer to ensuring a truly equitable childcare nutrition program that works for kids, parents and providers alike. Good nutrition is the foundation of a healthy start for children, and family childcare home providers deserve to be compensated equally for the invaluable service they provide.”

Related legislation. SB 364 (Skinner) of the 2021-22 Session would have required the Department of Social Services (DSS) to issue Electronic Benefit Transfer (EBT) benefits to

certain low-income students for each summer break, contingent on an appropriation, and would have made various changes to free and-reduced price meal processes at LEAs. This bill was held in the Assembly Appropriations Committee.

SB 1481 (Becker) of 2021-22 Session would have established, subject to an appropriation, a free, universal meal program through CACFP by increasing state reimbursement to the existing federal meal program for children in the California State Preschool Program (CSPP), general childcare, and specified licensed-exempt care. This bill would have expanded eligibility for free meals in these programs, and would have created a grant program to encourage expansion and participation in the CACFP in underserved communities. This bill was held in the Assembly Appropriations Committee.

AB 842 (Limon) of 2019-20 Session would have required each part-day CSPP to provide at least one nutritious meal per program day, and each full-day CSPP to provide at least two nutritious meals or two snacks and one nutritious meal per program day. This bill would have required each LEA, including a charter school, that maintains a childcare and development program to provide at least one nutritionally adequate free or reduced-price meal to each needy child, and would have removed the requirement that family daycare homes, funded through school district programs, be reimbursed for 75% of the meals served. This bill was voted by the Governor, with the following message:

Providing nutritious meals in childcare and preschool settings is an important feature of ensuring our youngest children get a healthy start in life, and is currently required of providers who participate in the state's subsidized childcare system. However, this bill places stricter requirements on our preschools and day care providers without fully considering the additional costs it would place on them. While federal and state reimbursement programs may offset a portion of these costs, it is unclear whether many providers can readily access those programs. Moreover, this bill creates ongoing costs in the low millions of dollars and should be considered in the annual budget process.

California is in the process of taking a much-needed holistic look at our early learning and care system. It is premature to saddle additional requirements on these providers until the state understands the true cost of care, including the cost of the nutrition requirements placed on providers.

REGISTERED SUPPORT / OPPOSITION:

Support

AFSCME
Bread Head California
Buen Vecino
California Alternative Payment Program Association
California Association of Food Banks
California Family Child Care Network
California Food and Farming Network
California Immigrant Policy Center
CCFP Roundtable
Child Care Law Center

Child Care Providers United (CCPU)
Children's Council of San Francisco
Coalition of California Welfare Rights Organizations
Community Action Partnership of Orange County
Early Edge California
First 5 Alameda County
Glide
Hunger Action Los Angeles INC
John Burton Advocates for Youth
Laane (Los Angeles Alliance for A New Economy)
Los Angeles Regional Food Bank
Nourish California
Orange County United Way
San Francisco-Marin Food Bank
Second Harvest Food Bank Santa Cruz County
Second Harvest of Silicon Valley
Solano Family & Children's Services
The Education Trust – West
4 individuals

Opposition

None on file

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