Date of Hearing: July 7, 2021

ASSEMBLY COMMITTEE ON EDUCATION
Patrick O'Donnell, Chair
SB 393 (Hurtado) – As Amended May 20, 2021

[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.]

SENATE VOTE: 39-0

SUBJECT: Migrant Childcare and Development Programs

SUMMARY: Aligns the funding structure for the Migrant Childcare Alternative Payment (MCAP) program with other alternative payment (AP) voucher programs by shifting the reimbursement rate for MCAP programs from the Standard Reimbursement Rate (SRR) to the Regional Market Rate (RMR). This bill also expands reimbursement allowances to include additional administrative and support costs. Specifically, **this bill**:

1) Prohibits payments made by the MCAP program from exceeding the applicable RMR ceiling.

2) Authorizes a MCAP program to expend more than the SRR for a particular child.

3) Requires that the reimbursement for the MCAP program to include the cost of childcare paid to childcare providers plus the administrative and support services costs of the MCAP Program.

4) Prohibits the total cost for administration and support services of the MCAP program from exceeding 21% of the total contract amount or the administration costs allowable under federal requirements.

5) Expresses the intent of the Legislature to support the unique needs of the MCAP program in order to meet the needs of the migrant worker population by supporting their access to childcare and early learning.

EXISTING LAW:

1) Defines a "migrant agricultural worker family" as a family that has earned at least 50% of its total gross income from employment in fishing, agriculture, or agriculturally related work during the 12-month period immediately preceding the date of application for child care and development services. (Education Code (EC) 8231)

2) Requires that children of migrant agricultural worker families be enrolled in child development programs on the basis of the following priorities:

   a) The family moves from place to place;

b) The family has qualified under paragraph (a) within the past five years and is currently dependent for its income on agricultural employment, but is currently settled near agricultural areas; and

c) The family resides in a rural agricultural area and is dependent upon seasonal agricultural work. (EC 8231)

3) Authorizes costs for migrant programs to exceed the SRR established by the Superintendent of Public Instruction (SPI), but prohibits the reimbursement from exceeding the cost of the program. (EC 8233)

4) Requires the SPI to annually reimburse seasonal migrant child care and development agencies for approvable startup and closedown costs. (EC 8233)

5) Prohibits reimbursement for both startup and closedown costs from exceeding 15% of each such agency's total contract amount. (EC 8233)

6) Requires seasonal migrant child care and development agencies to submit reimbursement claims for startup costs with their first monthly reports, and reimbursement claims for closedown costs with their final reports. (EC 8233)

7) Establishes, beginning July 1, 2018, the SRR as $11,995 per child per year, in addition to a cost of living adjustment beginning with the 2019-20 fiscal year. (EC 8265)

8) Requires the RMR ceilings to be established at the greater of either of the following:

   a) The 75th percentile of the 2016 RMR survey for that region; or

   b) The RMR ceiling that existed in that region on December 31, 2017. (EC 8357)

FISCAL EFFECT: According to the Senate Appropriations Committee, by allowing the program to have an uncapped number of slots, this bill could result in General Fund cost pressure in the low hundreds of thousands of dollars each year. Further, by expanding the reimbursement allowances to include additional costs such as ongoing program expenses (rather than just startup and close-down costs) and administrative and support costs, this bill could result in additional, unknown cost pressure on the existing contracts.

COMMENTS:

Need for the bill. According to the author, "California's farmworkers are an essential part of keeping food on the table in our State and throughout the nation. However, the treatment of agricultural workers during the pandemic did not always reflect this.

California received hundreds of millions of dollars in federal funding during the COVID crisis. The federal funds were earmarked to create more accessible childcare voucher slots for essential workers so that they could continue their vital work without worrying about their children's care. Due to an outdated law, California's critical farm workers lost out on roughly $400,000 in additional child care vouchers for families to access.

To correct this, SB 393 aligns the state's only Migrant Childcare Program funding stream with other voucher-based programs. This bill also addresses the unique operational costs of this program, such as the need to maintain five additional satellite offices for field workers to access.

Agriculture is the backbone of our community – those who uproot their lives to provide the food we eat--MUST have adequate access to childcare to continue to feed our State and nation. California should do what it can to support the needs of our essential agricultural workers and their families."

Reimbursement rates differ by program type: Two different sets of rate schedules apply to providers of subsidized childcare. For programs utilizing vouchers, which allow families to access child care through their choice of a licensed day care center, a licensed family child care home, or license-exempt child care (typically, care provided by a family, friend, or neighbor who has passed a background check), providers are reimbursed using the Regional Market Rate (RMR). This rate is based on a biannual RMR survey of the cost of childcare in various geographical regions across the state. RMR rate ceilings are currently established at the 75th percentile of the 2016 RMR survey for a county, unless that ceiling is lower than the ceiling existing on December 31, 2017. RMR ceilings for license-exempt providers must not exceed 70% of a county's established RMR ceiling for family child care homes. These rates vary significantly from one county to another, reflecting differences in the cost of care. This table illustrates differences in the full-time daily rate for children from birth to 24 months:

Childcare Setting	**Fresno County**	**Los Angeles County**	**Alameda County**
Childcare center	$72.73	$96.53	$114.06
Family childcare home	$45.53	$56.40	$72.20
License-exempt care	$31.87	$39.48	$50.54

Providers of contracted care – childcare and development programs and California State Preschool Programs (CSPP) that contract directly with CDE, as opposed to voucher-based care – are reimbursed according to a uniform statewide rate system based on the Standard Reimbursement Rate (SRR). The 2020-21 SRR for General Child Care is $49.54 per child per day of enrollment or $12,385 per year based on 250 days of operation. However, acknowledging the higher costs associated with providing care to certain populations, state law provides for "adjustment factors" to be multiplied by child days of enrollment to arrive at an adjusted SRR. For example, the adjustment factor for infants (birth to 18 months) is currently 2.44, meaning that the per-child-per-day SRR is $49.54 multiplied by 2.44 – or $120.88.

Migrant Childcare Alternative Payment (MCAP) program. The MCAP program issues vouchers to eligible, migrant families that can be used to purchase childcare and development services at legally operating childcare providers throughout California's Central Valley. This program provides services for children birth through 12 years of age, and for older children with exceptional needs. Funding for services follows families as they move from place to place for agricultural work.

The MCAP Program provides childcare services to migrant agricultural worker families through six entry counties (Kern, Kings, Madera, Merced, Tulare, and Fresno). The MCAP program allows parents to choose their preferred childcare setting by working with licensed childcare centers, licensed family childcare homes, license–exempt providers, and in-home providers. Migrant families are admitted based on family income, with the lowest per capita admitted first.

Families that migrate to counties outside of the county in which they enrolled remain eligible for services with the MCAP program, even if the families are not working within the six counties in which MCAP maintains offices. For example, a migrant worker who works and enrolls with MCAP in Kern County and then migrates to Ventura County can use a voucher in Ventura County to obtain local childcare. For the 2018-19 fiscal year, approximately $8.5 million was awarded to the Community Action Partnership of Kern for this program.

Per their contract with CDE, the MCAP program has a set amount of dollars and a set number of childcare slots funded under the SRR model. However, to facilitate migrant workers' need to secure childcare as they move between worksites, the MCAP program issues vouchers under the RMR system for reimbursement. These vouchers allow migrant workers to "purchase" the childcare of their choice in various locations where they live and work. This hybrid (operating as a voucher program and funded as under the SRR) has created inequities for the migrant childcare program, as the number of childcare slots and funding available under the program are limited. Additionally, federal CARES Act funds that were available to support essential workers during the COVID-19 pandemic could not be awarded to the migrant program, because the program is not currently funded as a voucher or AP program. Had the migrant program been able to receive CARES Act funds, roughly $400,000 could have been used to support migrant worker families.

Transition of childcare programs. SB 98 (Committee on Budget and Fiscal Review, Chapter 24, Statues of 2020) requires that many childcare programs will transfer from the CDE to the DSS as of July 1, 2021. This change is meant to, among other things, reduce administrative and other barriers to program access so that programs and providers can focus on positive child and family outcomes and help meet the goals of the Master Plan for Early Learning and Education. MCAP is one of the programs that will shift to the DSS.

Migrant population in California. According to the CDE, California is home to the largest number of migrant students in the country, and one in three migrant students reside in the state. CDE notes that migrant children often live in extreme poverty, which can lead to significant health disparities which in turn affect educational outcomes.

Unique challenges of migrant families. In the United States, migrant and seasonal farmworkers work seasonal jobs on large scale farms. Because many of these jobs are temporary, farmworkers often move frequently across state lines and international borders to follow the work in agriculture. Many farmworkers travel with families including young children and one challenge of this population is stable childcare and access to educational services for their children.

A study, *Caring for Children While Working in Agriculture—The Perspective of Farmworker Parents*, (Liebman, 2017) found that access to safe, off-farm childcare is often a challenge for farmworkers with young children, and is likely to become an increasingly salient barrier as more agricultural workers migrate together with families and as the number of women entering the agricultural workforce increases. Agriculture is one of the most hazardous industries, and the presence of young children in the workplace puts them at risk. The study concluded that high quality, affordable off-farm childcare services could serve as a means for attracting farmworkers to regions currently experiencing labor shortages.

Changes to the MCAP program. The shift from the SRR to the RMR, as proposed by this bill, will not automatically increase reimbursement rates for the MCAP program. Any increase must be provided to the specific migrant program line item in the Budget Act and migrant program must operate within the existing contract amount. However, the proposal would bring the migrant program funding structure into alignment with operating practices.

This bill expands reimbursements to include administration and support services (such as case management) not to exceed 21% of the total contract amount or the costs allowable for administration under federal requirements. The allowance for administrative and support services is meant to reflect that the contractor for the migrant childcare program has five satellite offices (each in a different county) where families receive their voucher, and works with childcare providers for those families in 19 counties. These additional allowable reimbursements do not increase funding, as they would come from within the existing contract amount.

Arguments in support. Community Action Partnership of Kern states "California's Migrant Childcare Alternative Program (MCAP) is a critical service for migrant families which links them to childcare services in agricultural communities across the state. It makes it possible for parents to quickly find care for their children when they relocate to a new community to find work in the fields, orchards, and ranches of California's seasonal agricultural industry. Through MCAP these families have access to free or low-cost childcare that meet their individual needs so they can continue to plant, tend, and harvest the food that feeds our state, the nation, and the world.

Six MCAP offices located in the Southern and Central San Joaquin Valley counties of Kern, Fresno, Tulare, Kings, Madera, and Merced offer participants an entry point into the program. Each family's case manager enrolls them in the program and then works with them to make sure they can access resources, referrals, and assistance that will help them locate childcare anywhere in California."

Related legislation. SB 246 (Leyva) of this Session requires the DSS to establish a single reimbursement rate for early learning and care programs, including variation for regional costs and quality adjustment factors.

SB 98 (Committee on Budget and Fiscal Review) Chapter 24, Statutes of 2020, known as the Early Childhood Development Act, transfers all childcare programs, with the exception of the California State Preschool Program, from the CDE to the DSS, commencing July 1, 2021. The migrant childcare program will be included in the transfer to the DSS.

SB 441 (Cannella) of the 2017-18 Session would have increased the administrative and support services allowance for Alternative Payment Programs that operate with contracts that are less than $3 million, or a migrant alternative payment program that operates an individual contract in any dollar amount, from 17.5% of the total contract amount to 22%. This bill was held in the Senate Appropriations Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

California Alternative Payment Program Association
Community Action Partnership of Kern
Dolores Huerta Foundation
First 5 California
Grace Institute - End Child Poverty in California

National Association of Social Workers, California Chapter
2 Individuals

Opposition

None on file

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