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BUDGET SUBCOMMITTEE NO. 2 ON
EDUCATION FINANCE
LEGISLATIVE ETHICS

AB 92: The Affordable Child Care Family Fees Act

SUMMARY

This bill alleviates the burdens that families face in paying for child care by creating an equitable sliding scale for family fees.

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 two-parent working family spends around 20% of their annual income on child care.

While there are a number of State and Federally-funded programs that help families pay for child care, these programs still require them to pay family fees, which can make subsidized care unaffordable. Many California families pay hundreds of dollars per month, up to \$595, in family fees. Family fees account for almost 10% of some families' income. With limited disposable income, working families struggle to pay high fees and are forced to make difficult decisions about their basic needs. 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, education, or wellbeing. 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 erase 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. The California legislature has responded by extending the suspension of family fees for all families until June 30, 2023 in the FY 22-23 budget. Thousands of parents have greatly benefited from this relief and will continue to need affordable child care to provide for their families well past this fiscal year.

THIS BILL

This bill will ensure families can afford to keep their child care when family fees resume on July 1, 2023 by requiring that 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 also protects child care providers by ensuring they are paid the full child care subsidy amount and that the number of child care spaces are not reduced on account of a reduction in family fees.

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

SUPPORT

Parent Voices (Co-Sponsor)
Child Care Resource Center (Co-Sponsor)
Child Care Law Center (Co-Sponsor)
California Child Care Resource and Referral
Network (Co-sponsor)
American Association of University Women (Co-sponsor)

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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 Coalition

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

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