

Food with Care

Fair Pay for Child Care Providers.

Healthy Meals for Kids.

Contact: Jared Call, Senior Advocate, jared@nourishca.org

All children deserve to be well nourished and thrive. But underlying federal and state rules for child care meal programs don't reflect California's true level of poverty—keeping many children from accessing nutritious, affordable meals. For example, a family of four must make less than \$34,060 a year in order for a child care center to serve a free meal.

The harm to children and the burden on providers is exacerbated by state policy that financially penalizes certain child care providers who feed healthy meals to kids in their care. Existing state statute creates an unfair “reimbursement rate gap” that limits certain providers to only 75% of the state reimbursement for meals served. **The reimbursement rate gap is the result of a racist legacy of child care laws—still in place today— that undervalue and underpay labor historically performed by Black, Latina, and immigrant women.**

California's child care providers also operate under the financial burden caused by federal rules that don't take into account California's high cost of living. Each year, providers absorb hundreds of millions of dollars in costs for meals served to children. In recent years, providers also face sky-high food costs — the Consumer Price Index for Food Purchased away from home rose 8.6% in 2022. **Despite the spike in food prices, the state reimbursement rate does not respond to or reflect elevated costs. That means extra costs are passed on to providers already operating on razor thin margins.**

Legislative Action

- Bring equity to child care nutrition programs by eliminating the supplemental State Meal Reimbursement rate gap for feeding younger children in family child care settings.
- Ensure adequate state funding to bring parity to reimbursement for meals served in all child care centers and family child care homes.
- Link the state reimbursement to the *Consumer Price Index for Food Purchased Away From Home* to more accurately reflect the true cost of food and better support providers.

Fiscal Estimate

- \$7 million ongoing General Fund.

Food with Care

Fair Pay for Child Care Providers.

Healthy Meals for Kids.

Methodology

- We estimate \$6,960,240 to increase the annual State Meal Reimbursement for child care settings to \$.27 for up to two eligible daily meals served. Estimate is based on State Meal Reimbursement rates for fiscal year 2021-2022 and annual CACFP participation data from fiscal year 2018-2019.¹

Data Sources:

1. 2021-22 CNP Reimbursement Rates from: <https://www.cde.ca.gov/ls/nu/rs/rates2122.asp>
2. California Department of Education's Child Care Annual Aggregate Report SFY 2018-2019 from: www.cde.ca.gov/ds/sh/sn/
3. California Resource and Referral Network Child Care Data tool from: <https://rrnetwork.org/research/child-care-data-tool#!0>

¹2018-2019 is the most current pre-pandemic public data available; meal service dropped substantially during FY 2019-2020 during the height of pandemic stay at home orders, FY 18-19 is the best representation of future participation.