

Date of Hearing: May 5, 2021

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair

AB 1179 (Carrillo) – As Introduced February 18, 2021

Policy Committee: Labor and Employment

Vote: 5 - 2

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill requires an employer with 1,000 or more employees, including the state and a local government, to provide an eligible employee with up to 60 hours of paid backup childcare benefits. Specifically, this bill:

- 1) Requires paid backup childcare to be provided as a direct benefit by: (a) contracting with and providing direct payments to a licensed childcare provider; (b) directly paying a qualified backup childcare provider upon receipt of an invoice; or (c) reimbursing an employee for up to 60 hours of backup childcare paid by the employee.
- 2) Defines “backup childcare” as childcare provided by a qualified backup childcare provider to the employee’s child when the employee’s regular childcare provider cannot be utilized.
- 3) Defines “qualified backup childcare provider” as a childcare provider licensed by the State Department of Social Services (DSS) or a license-exempt childcare provider, as specified.
- 4) Specifies the accrual rate and value of the paid backup childcare benefit.
- 5) Requires an employer to keep records for at least three years documenting the hours worked and paid backup childcare benefits accrued and used by an employee. The records must be accessible to the Labor Commissioner (LC) and available to an employee. If an employer does not maintain adequate records, it is presumed that the employee is entitled to the maximum number of hours accruable.
- 6) Prohibits an employer from inquiring about the purposes for which an employee uses the paid backup childcare benefit and compelling an employee to provide documentation verifying use of their first 60 hours.

FISCAL EFFECT:

- 1) Approximately \$275,000 in the first year and \$250,000 ongoing because of increased workload for the Division of Labor Standards Enforcement’s (DSLE) Wage Claims Adjudication unit. According to the Employment Development Department’s Labor Market Information report, there are approximately 1,000 businesses in California with more than 1,000 employees.
- 2) Additional costs of an unknown amount for state departments to provide eligible state employees with up to 60 hours of paid backup childcare benefits.

COMMENTS:1) **Purpose.** According to the author:

Increasing access to child care is essential to keeping women in the workforce as COVID-19 has impacted women and even more so women of color at disproportionate rates. Data shows that 74% of women have cited inadequate backup child care as one of the top reasons for dropping out of the workforce....Increasing access to childcare is essential to keeping women in the workforce and will make California companies stronger and more competitive while ensuring working mothers are not left behind in the economic recovery.

- 2) **Backup Childcare Benefits.** The COVID-19 pandemic highlighted the challenges faced by working parents, although many families have long confronted economic instability due to childcare issues. According to the Families and Work Institute's 2017 National Survey of Employers, only five percent of employers overall and nine percent of larger employers offer backup childcare benefits. Many large technology companies, including Apple, Facebook, Google and Microsoft offer the benefit to help recruit and retain employees amidst a tight labor market and boost worker productivity. Other large employers that provide the benefit include Best Buy, Starbucks and Bank of America. Each employer's program is different, with some providing daily childcare reimbursements and many others contracting with digital platforms like Care.com. AB 1179 requires an employer to provide backup childcare through a childcare provider licensed by DSS or a license-exempt childcare provider, generally defined by this bill as a family member or friend of the family.
- 3) **Related Legislation.** AB 1119 (Wicks) expands the list of protected characteristics under the Fair Employment and Housing Act to include "family responsibilities," defined as an obligation to provide ongoing care to a minor child or "care recipient." AB 1119 is pending hearing in this committee.

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