SENATE THIRD READING SB 778 (Limón) As Amended September 2, 2025 Majority vote

SUMMARY

Requires the California Department of Social Services (CDSS), for the purpose of enrollment in migrant childcare and development programs, to ensure that the self certification of income shall be consistent with other childcare and development programs under this part.

Major Provisions

COMMENTS

Background: Subsidized Childcare. California's subsidized childcare system is designed to provide assistance to parents and guardians who are working, in training, seeking employment, incapacitated, or in need of respite. California's subsidized childcare is made up of a system of programs serving children from birth through 13 years of age, funded through a mix of federal and state dollars, and administered through a mixed delivery system by local educational agencies, community-based providers, and family childcare providers.

Parents participating in California Work Opportunity and Responsibility to Kids (CalWORKs), as well as families transitioning from and no longer receiving CalWORKs aid, can be eligible for childcare, which is offered in three "stages." The largest programs are: General Child Care, which includes contracted centers and family childcare homes; the California State Preschool Program, which provides developmentally, culturally, and linguistically appropriate curriculum to eligible children who are three- and four-years of age; and, alternative payment programs, which provide vouchers that can be used to obtain childcare in a center, family childcare home, or from a license-exempt provider.

Certain eligibility and prioritization rules apply to subsidized childcare in California. Families qualify for non-CalWORKs subsidized childcare if they satisfy at least one requirement in each of two areas: eligibility and need. First, they must meet one of the eligibility criteria, which includes currently receiving assistance, income eligibility, experiencing homelessness, having children receiving protective services or identified as being at risk of abuse, neglect, or exploitation, or having a household member certified to receive benefits from specified meanstested government programs. Secondly, the family must meet one of the prerequisites for need. This could involve the child being identified by a legal, medical, or social services agency, or residing in an emergency shelter. Alternatively, the parents must either be employed or actively seeking employment, participating in vocational training or educational programs tailored for English language learners or aimed at achieving a high school diploma or general educational development certificate. They may also be in pursuit of permanent housing for family stability, or be incapacitated. Families eligible for subsidized care must demonstrate an income below 85% of the state median income (SMI). Effective July 1, 2024, 85% of the SMI is \$6,593 per month for a family of three, totaling \$79,116 annually.

Once a family is determined eligible for childcare services, either at initial enrollment or during recertification, they are considered to meet all eligibility and need requirements for at least 24

months. During this 24-month period, the family is entitled to receive services without having to recertify their eligibility or need, and they are not required to report any changes to income or other circumstances, unless their circumstances result in income exceeding 85% of SMI eligibility threshold, which families are then disenrolled.

Migrant Childcare and Development Programs (CMIG). CMIG offers childcare and development services for children from birth through 12 years of age, including older children with exceptional needs. These services are provided through centers and family childcare home networks operated by public or private agencies, as well as local educational agencies. The programs are designed to be culturally, linguistically, and developmentally appropriate for the children served. In addition to childcare, they offer meals, parent education, referrals to health and social services for families, and staff development opportunities for employees. Migrant Alternative Payment (CMAP) Programs provide vouchers to eligible migrant families, which can be used to purchase childcare and development services from providers throughout California's Central Valley. CMIG is funded through a combination of federal and state resources and are administered by local agencies, community-based organizations, and childcare providers.

According to CDSS' January 2024 Child Care Transition Quarterly Report, for fiscal year 2022-23, CMIG enrolled 1,143 children and CMAP enrolled 1,826 children, which represents 1.2% of childcare enrollment for all childcare and development programs. CMIG is a capped program which means that it can only serve as many families as funding allows. The Legislative Analyst's Office issued a March 28, 2025, brief analyzing the Governor's 2025-26 childcare and state preschool budget proposals, which includes \$80 million for CMIG in 2025-26, which is an increase of \$1 million relative to the revised 2024-25 levels. According to the California Budget & Policy Center, only one in nine of California's children eligible for childcare actually received childcare services in 2022, including CMIG, with the number of new slots not keeping pace with the growing demand.

CMIG is intended to support families who are primarily employed in seasonal, agricultural work. These programs aim to provide affordable childcare services that allow parents or guardians to maintain stable employment. Migrant families who work in agriculture often face unique challenges that hinder their access to reliable childcare, such as fluctuating income, irregular work schedules, and limited availability of local services. As a result, eligibility criteria and program services have been specifically tailored to meet the needs of these families. To be eligible for CMIG, families are additionally required to meet eligibility and need criteria specified earlier within the general childcare and development programs.

CMIG's Documentation of Eligibility: Income. CMIG promulgated requirements regarding family eligibility and enrollment for the program. According to CDSS' CMIG's Program Requirements for Fiscal Year 2024-25, the documentation of eligibility requires parents to provide proof of the family's total countable income, which includes income from employment, self-employment, and any other non-wage sources, for all individuals counted in the family size. For employed parents, this documentation can include payroll stubs, an employer letter, or other records from the past two months. To determine family size, parents are required to provide documentation confirming the number of children and parents in the family, as listed on the application for services. Any adult who lives with and is responsible for the child's care, including family members or other caregivers, is also required to meet specified need criteria for income eligibility and family fee determination.

If the employer refuses or the request for documentation would harm the parent's job, alternative forms of income verification such as tax returns, quarterly estimated tax statements, client payment records, or other records of income to support the reported income can be used, along with a self-certification of income. Families with fluctuating income, like those in agricultural or seasonal work, may choose to provide up to 12 months of income history if the additional time of income provided contributes to an affirmative eligibility determination. Childcare contractors are then responsible for verifying the reported income, including checking employment details like the parents' salary/wages; rate of pay; hours and days of work; inconsistent and/or unstable hours and days of work; pay periods or frequency of pay; and, the start date of the employee.

Furthermore, CMIG requires a migrant agricultural worker family to have 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 application for childcare and development services, as defined in state law. Children of migrant agricultural worker families are enrolled in CMIG based on different priorities. First, priority is given to families that move from place to place; second priority is given to families that have qualified under the first priority within the past five years and are currently dependent on agricultural employment, but are now settled near agricultural areas are also given priority; third priority is given to families residing in rural agricultural areas and dependent on seasonal agricultural work; and lastly, eligibility and priority for services for the federally funded Migrant Child Development Program is determined in accordance with applicable federal regulations.

The current definition of "migrant agricultural worker family" presents challenges, such as the income thresholds that can make it difficult for migrant families to qualify for services, particularly in cases where income is inconsistent or fluctuates from season to season and for multi-generational families with mixed incomes. According to the United States (U.S.) Department of Agriculture Economic Research Service, in 2019, 96% of agricultural working families in the U.S. earned income from off-farm sources comprising 77% of their total income, highlighting the need for income diversification in these households. In these cases, many families who rely on fishing or agriculture-related occupations, but do not meet the exact requirements are excluded from receiving childcare assistance, despite their clear need.

This bill expands the definition of a "migrant agricultural worker family" by lowering the income threshold from requiring at least 50% of the family's total gross income to be earned from agriculturally-related employment, to allowing families with at least one individual who has earned 40% of their total gross income from such employment. This bill also broadens eligibility by including families where the income from agriculturally-related work is earned by just one individual, rather than requiring that all household members meet the previous threshold.

Equity Implications: Historically marginalized groups, including migrant workers and communities of color, are often overrepresented in agricultural industries and face systemic barriers in accessing public services. This bill aims to improve childcare access for migrant agricultural families who experience unique challenges related to fluctuating and non-traditional income sources. By expanding the definition of "migrant agricultural worker family" and allowing for more flexible documentation of income, this bill seeks to address the economic realities of families who may rely on a combination of agricultural, off-farm, and seasonal income.

According to the Author

"With over one-third of farmworkers in our country residing in California, ensuring access to essential resources and supportive services for agricultural working families is crucial for the state's well-being. In addition, childcare challenges continue to grow in the state, becoming a key factor for lost wages of working agricultural parents. [This bill] seeks to address childcare needs by expanding access to the Migrant Childcare and Development Programs (CMIG), providing greater support for families in the agricultural sector."

Arguments in Support

First 5 California writes in support that, "Lowering the income eligibility threshold will expand eligibility to a larger number of families that will be able to access care and services that they would otherwise go without. Access to child care allows migrant parents to work consistently which contributes to their family's financial stability; provides children with an opportunity to develop essential skills; supports social integration of migrant families which in turn helps children and parents build connections with others within their communities; and provides a safe and nurturing environment that promotes the physical and emotional well-being of the children."

Arguments in Opposition

No opposition on file.

FISCAL COMMENTS

According to the Assembly Appropriations Committee on August 29, 2025: The California Department of Social Services (CDSS) indicates that decreasing the qualifying income threshold to 40% pursuant to this bill will make additional families eligible for the California Migrant Childcare and Development Program (CMIG) and the California Migrant Alternative Payment Program (CMAP), but the department lacks sufficient data to gauge the exact fiscal impact of this change. However, based on current program characteristics, CDSS estimates the following ongoing General Fund costs:

- 1) For every 100 newly eligible children enrolled in CMIG, costs will be approximately \$2.1 million annually, at an estimated cost of \$20,124 for each new enrollment.
- 2) For every 100 newly eligible children enrolled in CMAP, costs will be approximately \$1.4 million annually, at an estimated cost of \$13,254 for each new enrollment.

VOTES

SENATE FLOOR: 34-1-5

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Laird, Limón, McGuire, McNerney, Menjivar, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener NO: Choi

ABS, ABST OR NV: Hurtado, Jones, Niello, Reyes, Seyarto

ASM HUMAN SERVICES: 7-0-0

YES: Lee, Castillo, Calderon, Elhawary, Jackson, Celeste Rodriguez, Tangipa

ASM APPROPRIATIONS: 13-0-2

YES: Wicks, Arambula, Calderon, Caloza, Elhawary, Fong, Mark González, Ahrens, Pacheco,

Pellerin, Solache, Ta, Tangipa

ABS, ABST OR NV: Sanchez, Dixon

UPDATED

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