



Assemblymember Tony Thurmond, 15th Assembly District

AB 435 – Contra Costa Child Care Subsidy Pilot

IN BRIEF

AB 435 would authorize Contra Costa County to develop and implement an individualized county child care subsidy plan. The authorization would sunset January 1, 2022.

BACKGROUND

In 2003, AB 1326 (Simitian) authorized San Mateo County to develop and implement an individualized county child care subsidy plan to respond to challenges that the state child care subsidy system (with its single statewide income eligibility criteria, reimbursement and fund restrictions) presents to children, working families and providers in a county where the cost of living is well beyond the state median.

The plan was designed by the diverse members of the local child care planning council and subsequently approved by the San Mateo County Board of Supervisors and the San Mateo County Superintendent of Schools in 2004. The California Department of Education approved the plan for implementation on October 1, 2004.

In 2005, SB 701 (Migden) authorized the City and County of San Francisco to develop and implement its own individualized county child care subsidy plan, modeled on San Mateo County's pilot project. San Francisco's plan was developed and approved for implementation on September 8, 2005. Due to the success of the plans, the Legislature made the San Mateo and San Francisco county pilots permanent last year.

Also, last year AB 833 (Bonta) authorized the Alameda County to develop its own individualized county child care subsidy plan, which would sunset January 1, 2021. Following Alameda, San Francisco and San Mateo's footsteps, in 2016, AB 2368 (Gordon) authorized Santa Clara County to develop its own individualized child care subsidy plan until January 1, 2022.

The fiscal reality of living in a high-cost county means that many families are deemed ineligible for subsidized child care and that provider reimbursement rates are insufficient to cover the cost, as a result, child care subsidy funds allocated to

Contra Costa County are not fully utilized or expended.

In fact, according to Contra Costa County's Local Early Education Planning Council, approximately \$3.8 million under the Title 5 state subsidized child care contracts has been returned to the state for fiscal year 2015-16.

Further, Contra Costa County has lost subsidized child care contractors. For example, last year, Kids Club in Antioch ended its State Preschool contract. This provider shut down its child care program due to lack of available child care facilities to continue operating a program that for years had been located at an elementary school district site.

Other State Preschool contractors continue to report challenges with operating their programs due to the low state reimbursement rates paid to provide high quality child care which inadequately cover their operational costs, therefore concluding that it is no longer cost effective to offer subsidized child care.

SOLUTION

Without taking funds from other counties, or increasing state costs, this pilot (as did the previous ones) would permit waivers of specific state rules: 1) family eligibility criteria, 2) family fees, 3) reimbursement rates, and 4) methods of maximizing the efficient use of subsidy funds.

SUPPORT

First : Contra Costa (Sponsor)

FOR MORE INFORMATION

Isabella Gonzalez Potter, Office of Asm. Tony Thurmond
916-319-2015 | Isabella.GonzalezPotter@asm.ca.gov