

AB 2368 (Gordon)

Santa Clara County Child Care Subsidy Pilot Project

SUMMARY

AB 2368 would authorize Santa Clara 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.

Without taking funds from other counties, or increasing state costs, these pilot projects permitted 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.

Santa Clara County serves approximately 12,600 children in state subsidized child care programs. Unfortunately, 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 Santa Clara County are not fully utilized or expended.

In fact, according to Santa Clara County's Local Early Education Planning Council, approximately \$9.3 million under the Title 5 state subsidized child care contracts has been returned to the state. This roughly translates to 1,100 children who could have been served in the county.

Further, Santa Clara County has lost subsidized child care contractors. For example, last year, Gavilan College in Gilroy ended its State Preschool contract. This provider shut down its child care program due to high cost, concluding that it was no longer cost effective to offer subsidized child care.

As a result, children and families in Santa Clara County are unable to access quality

child care in part by the unintended consequences of living in a high-cost county.

THIS BILL

AB 2368 would authorize Santa Clara County to develop and implement an individualized county child care subsidy plan until January 1, 2022. This bill is modeled on AB 833 from last year as well as on the prior pilots.

This bill would require the child care subsidy plan to be submitted to the local planning council and the Santa Clara County Board of Supervisors for approval. This bill would also require the Early Education and Support Division of the State Department of Education to review and approve or disapprove the plan and any subsequent modifications to the plan. In addition, AB 2368 would require Santa Clara County to annually prepare and submit to the Legislature, the State Department of Social Services, and the State Department of Education a report that contains specified information relating to the success of the county's plan.

Like similar pilot projects before, AB 2368 would give Santa Clara County limited local flexibility to maximize allocated funding and efficiently use child care subsidy funds in order to meet local conditions and serve the needs of more children and their working families. AB 2368 does not change the total amount of funds allocated to Santa Clara County for subsidized child care. Therefore, this bill would not result in additional state costs.

SUPPORT

Santa Clara County Office of Education (co-sponsor)
Kidango (co-sponsor)

OPPOSITION

None on File

FOR MORE INFORMATION

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