

# STEVEN CHOI

MEMBER FOR THE 68TH ASSEMBLY DISTRICT



## AB 347 - California Preschool Investment Fund Pilot Program Tax Credit

### SUMMARY

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AB 347 establishes a pilot program to help fund California's Preschool Program through the use of privately donated funds.

### BACKGROUND

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In 2017 a state wide survey found that nearly half of California families were forced to decide between one parent leaving the job market to stay home with the children, and preschool. This survey concluded that the costs of preschool are consistently on par with income levels of some parents, leaving the hard choice to either stay home or pay for preschool. In 2015 AB 1161 was introduced to try and address the need of expanding preschool accessibility to lower income Californian families, and gained bipartisan support in both chambers of the legislature, but unfortunately died in suspense. AB 1161 sought to establish a pilot program whereas California businesses and residents could voluntarily donate money to a fund, with a 40% tax credit, and the fund would help preschools within a five county area to grow and provide more subsidized slots for low income families. The pilot program would only go for five years and would provide California law-makers the data to see if privately funded programs are viable in helping the state fund preschools.

### PROPOSAL

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AB 347 seeks to bring back the 2015 bill under the new administration given that the Governor has chosen to focus on expanding California Preschool accessibility. Through the incentive of a 40% tax credit to businesses and individuals, this pilot program will test the effectiveness of privately funded programs in the state.

### FOR MORE INFORMATION

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