



# AB 1294 (Bonta) – Childcare Subsidy Pilot Sunset Removal

(as introduced Feb 19, 2021)

## SUMMARY

This bill would make permanent the pilot program enacting a childcare subsidy project in Alameda County, which was originally authorized into law by AB 833 (Bonta, 2015), and the pilot enacted in Santa Clara County by AB 2368 (Gordon, 2016).

## BACKGROUND

AB 833 authorized Alameda County to develop and implement a five-year individualized county childcare subsidy pilot plan which maximizes allocated funding and efficiently uses childcare subsidy funds to meet local conditions, providing children and families access to quality child care. The pilot enabled Alameda County to retain an estimated \$5 million in 17-18 and serve more than 12,000 children and contract with 30 agencies. More than half (53%) of children that received childcare were Hispanic/Latino. Black or African American and Asian children represented the second and third largest shares.

For the FY 2019, the Santa Clara county pilot served 10,228 children. More than 50% of the children served under this pilot came from families at or under 50% of state median income.

## THE NEED FOR THE BILL

The backbone support that childcare programs provide for our economy and health care system became evident nationally as schools and non-essential businesses shut down, leaving child care to educate children and support worker needs. California needs bold policy and budget

action to retain and shore up our childcare infrastructure so that the economy can restart and programs can continue to support children's school readiness. Alameda County was among the hardest hit counties in terms of COVID-19 cases, ranking in the top 10 statewide, which will necessitate special supports for the childcare field to get back on track, including removing the sunset from the Alameda County Pilot, which is scheduled to sunset on July 1, 2021. Similarly, for the past several years, Santa Clara County has one of the highest reported costs of living nationally that has strained the ability of the region to provide quality childcare options, especially for lower income working families. Santa Clara County's pilot is scheduled to expire on July 1, 2022.

## SOLUTION

Removal of the pilot sunset would help the childcare field COVID response and recovery through these specific features which require no additional budget allocations:

- The rolling opportunity to conduct Voluntary Temporary Transfers -- useful for meeting need among the County's four Alternate Payment voucher agencies to meet essential worker needs in appropriate areas of the County as well as between center-based contractors.
- The ability to raise contractor reimbursement rates to mitigate the County's high cost of living and enable contractors to attract staff (more difficult to attract and or/retain during COVID) among other expenses.

- Expanded eligibility timeframes which provide more stability for children (who have had to undergo extreme disruption due to COVID) and administrative streamlining for staff (many of whom who have had to continue operations and caring for groups of children in a highly stressful health pandemic).
- The ongoing ability to innovate and drive state policy change in a “controlled experiment” –obtaining flexibility in specified areas with approval from California Department of Education staff.

### **SUPPORT**

Alameda County (Sponsor)  
Santa Clara County (Sponsor)  
Santa Clara County Office of Education  
(Sponsor)

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