

AB 1106: Child care and early education: Supporting access for military and working families

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SUMMARY

AB 1106 permits the Superintendent of Public Instruction to create a contracting process to permit the Alternative Payment Program (APPs) to expend its yearly allocated monies over 36 months. This bill also excludes the military allowance from being reported as income when determining eligibility for child care and early education programs.

BACKGROUND

In 1976, Governor Brown's office set forth a pilot program to expand the growth of child development programs in the state. The outcome of that pilot program was legislation in 1980¹ to create Alternative Payment (AP) child care programs in each of California's 58 counties. The purpose of APPs were to allow innovative community based public and private agencies to develop non-traditional regional approaches that would support parental choice of access for children from birth on to a variety of early care and education settings.

Alternative Payment Programs (APPs) are community based mixed delivery systems of public and private nonprofits that help families arrange for child care, early education and other social services for children from birth on. The program helps working families, especially single mothers; move off of public welfare rolls and towards self-sufficiency.

The California Department of Education administers the California Alternative Payment Program (CAPP) "voucher" through contracting with local community based Alternative Payment Program (APP) agencies.

The funding for these programs and slots is allocated each year as part of the budget process.

For a fiscal year beginning July 1st, the initial contract allocation released to APP agencies is roughly 23 – 25 percent of the total contract amount. The remaining three allocations come roughly in January, April and oftentimes in August/September after the close of the contract year.

The California Department of Education takes up to 36 months to close out its contracts. The monies returned at the end of a fiscal year are held until CDE completes the audits of the contracts. The unused monies are returned to the general fund.

The eligibility determination process for a family to receive a subsidy takes 30 plus days to complete. The process disregards holiday breaks from school and summer vacations; times where the demand is high. It also overlooks the needs of child care providers that may be holding a "slot" open to support a child. If the family fails to complete the eligibility process by June 30, this negatively impacts the family and the provider.

If a family were to begin the eligibility determination process in May or June, the likelihood of completing the eligibility process in time to meet the requirement is low. As a result, the family receives no support and the agency is not funded for the process that has started. A family that begins a process in April or in May faces the same eligibility hurdle.

For the local community based agencies that support these families, they must make projections factoring in eligibility enrollments,

attrition rates and allocation. When families fail to complete the eligibility process by June 30, they may choose to delay entry into the programs until July.

This delay creates a potential surge of families that come onto a program in July; since only a portion of the allocation from CDE is distributed at that time, the initial allocation may not cover the costs accrued by agencies. Many agencies beginning in the first quarter of their contract lack sufficient funding to cover the vouchers provided to families. However, had the funding from the previous year been allowed to be used, greater stability for families, providers and agencies would have been realized.

For military families, the housing allowance or Basic Allowance for Housing (BAH), is based on geographic duty location, pay grade, and dependency status. The intent of BAH is to provide service members equitable housing compensation based on local housing markets, when military housing is not provided.

In California, the monthly BAH for beginning-ranking personnel with dependents ranges from the mid \$800's for areas such as China Lake to the mid \$3,000's for San Francisco. The ranges subsequently increase according to military rank. In order to be eligible for subsidized child care and development services, state regulations require a family's adjusted monthly income to be at or below 70 percentⁱ of the SMI in use in FY2007-2008, which is in turn based on 2005 income data. This bill proposes to exclude the BAH as income for purposes of determining eligibility for child care and development services, thereby making families that would not otherwise qualify eligible for subsidized care. Under the provisions of this bill the amount of basic allowance for housing excluded from income must be equal to the lowest rate of the allowance for the military housing area in which an individual resides.

In California, the last statewide report in 2011 found nearly 300,000 eligible working families and children waiting to secure a child care subsidy.ⁱⁱ A more recent report conducted by the California Budget and Policy Center concluded that 1.5 million eligible for child careⁱⁱ. When we include military personnel, another 190,160ⁱⁱⁱ are potentially in need. The children that are served via the voucher program face a multitude of poverty stressors, constant transition, and instability.

For 2017-18, 278,696 to fund 32,275 slots are proposed.

EXISTING LAW

- 1) Existing law establishes the Child Care and Development Services Act to provide child care and development services as part of a coordinated, comprehensive, and cost-effective system serving children from birth to 13 years old and their parents including a full range of supervision, health, and support services through full- and part-time programs. (Education Code § 8200 et seq.)
- 2) Existing law defines "child care and development services" to mean services designed to meet a wide variety of children's and families' needs while parents and guardians are working, in training, seeking employment, incapacitated, or in need of respite. (EC § 8208)
- 3) Existing law allows the State Department of Education to contract community based alternative payment programs to provide services in each county throughout the state. (EC § 8220.1.)

- 4) Existing law requires the Superintendent of Public Instruction to administer general child care and development programs to include, among other things as specified, age- and developmentally-appropriate activities, supervision, parenting education and involvement, and nutrition. Further allows such programs to be designed to meet child-related needs identified by parents or guardians, as specified. (EC § 8240 and § 8241)
- 5) Existing law establishes requirements that families must meet in order to be eligible for federal and state subsidized child development services, and grants priority enrollment to children who have been or are at risk of being abused or neglected, as specified. (EC § 8263)
- 6) Existing federal law provides a basic allowance for housing to which a uniformed service member, including a member with dependents, as specified, is entitled if he or she is also entitled to basic pay. (37 U.S.C. § 403)
- 7) Existing law specifies that children are eligible for subsidized child care if the family currently receives aid, meets specified income eligibility requirements, is homeless, or if the child is the recipient of protective services, or has been identified as neglected, abused or exploited (or at risk of such).
- 8) Existing state regulations (Title 5, CCR, § 18134) allow state pre-school programs located on or in close proximity to a military base to exclude the military housing allowance provided for active military personnel, when calculating income for eligibility.

SPECIFICALLY, THIS BILL

- Permits the Superintendent to create a contracting process to permit public and private nonprofit agencies no less than 36 months to expend funds allocated to the contract that serves working poor families in any fiscal year.
- Disregards the military basic allowance for housing as part of calculated income for purposes of eligibility determination for child care and early education.

STATUS

SUPPORT

California Alternative Payment Program Association (CAPPA) (Sponsor)

OPPOSE

None received

FOR MORE INFORMATION

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ⁱ AB 3059 (Sieroty); Chapter 798, Statutes of 1980

ⁱⁱ <https://edsource.org/2016/more-than-a-million-california-children-missing-out-on-state-subsidized-child-care/574521>

ⁱⁱⁱ <http://www.governing.com/gov-data/military-civilian-active-duty-employee-workforce-numbers-by-state.html>