

# California Legislature



Colonel Rocky J. Chávez  
Assemblymember, 76<sup>th</sup> District

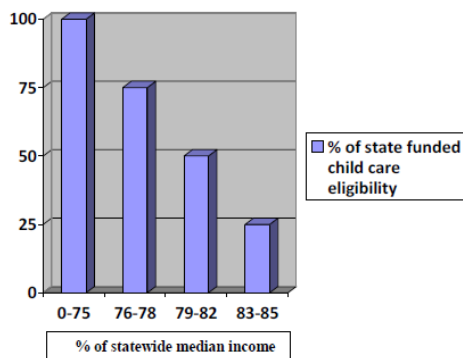
## FACT SHEET Assemblymember Colonel Rocky J. Chávez

### Assembly Bill 231: Childcare and Dependency Assistance

#### SUMMARY

AB 231 seeks to change and update the childcare and dependent reimbursement system to childcare centers and families by:

- 1) Increasing the state reimbursement rate and regional market rates for contracted facilities to 75% of each market.
- 2) Increases income eligibility cap for state-funded child care from 70% of the statewide median income (SMI) to 75%. At 76% - 85% of SMI, family receives a phased out amount of state-funded assistance. See chart below for specifics.



- 3) Implements "12 month eligibility" for family income reporting rather than the current quarterly income reporting requirements.
- 4) Decreases the duration of state-funded child care to 8 years per child.

#### ISSUE BACKGROUND

Childcare is one of the largest expenses many lower and middle income families face easily exceeding \$10,000 annually. This

high cost often puts families in a position of making the tough choice between work and family or struggling to make ends meet.

Many families receiving childcare assistance from the state face a 100% loss in all their assistance if they reach 71% of the state median income (SMI) because of the current 70% eligibility cap, creating a disincentive to accept small promotions or raises. Current policy produces a gap, with families earning too much to qualify for assistance (71% of SMI or more), yet too little to benefit from tax credits.

Furthermore, parents are currently required to report their income quarterly, creating a cumbersome process and requirement to take time off work, etc. in order to file this information 4 times per year in sometimes inconvenient locations. In San Diego alone, a parent would be required to travel from Oceanside to Chula Vista (45 minutes away if they have their own transportation AND no traffic) in order to submit paperwork.

#### SOLUTION

By increasing reimbursement rates to facilities we allow them to create more spaces for more children, increasing access for families that really need it and may be on waiting lists.

Increasing the income eligibility cap and reducing the reporting requirement frequency, families can focus on building up their livelihoods and preparing to take on full childcare costs as they earn promotions and raises, while still maintaining stability for their children.

Reducing the time limit on childcare assistance per child to 8 years from 13 years allows an estimated 35,000 more families to access childcare assistance funding. Many of these children are eligible for before and after school programs and the money saved from the age reduction could go toward increased assistance for families in the program and to service more families.

### **AUTHOR'S STATEMENT**

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"We need to invest in children who need help now to give them a launching pad to a better future." Stated Chavez, "By improving family eligibility and access to childcare, the state can assist our lower income families to make ends meet and set them up for success."

### **SUPPORT**

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### **OPPOSITION**

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