

# Monterey County Individualized Child Care Subsidy Plan

FINAL VERSION



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Monterey County Child Care Planning Council, State Contractor Committee

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## EXECUTIVE SUMMARY

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Assembly Bill 300 (AB300), signed by Governor Jerry Brown on October 12, 2017, authorizes the Monterey County Child Care Subsidy Project (the Pilot). This legislation, designed in partnership with local child care stakeholders and carried by Assemblywoman Anna Caballero, authorizes a plan specifically tailored to the needs and goals of the local community. The Pilot was conceived as a means to explore solutions to the problems that the state's "one-size-fits-all" child care subsidy system presents to high cost counties such as Monterey. Without any additional funds, the Pilot seeks to demonstrate the effects of limited local control and flexibility and stakeholder efficiency to meet the goals of family self-sufficiency and to stabilize a fragile child care infrastructure.

The Pilot approach allows Monterey County to address two fundamental concerns: first, that families barely earning enough to meet the high costs of living in the County are nevertheless considered too high income to qualify for child care subsidies; and second, that the state reimbursement rates to providers contracted to provide high quality child care are so low that contractors cannot cover their costs, and therefore, are unable to utilize their full allocation of state and federal child care and child development funds. As a result, fewer children receive subsidized care through these providers and child care spaces are lost to the County.

AB300 offers Monterey County the opportunity to test strategies to overcome these challenges and pilot efficiencies that may be replicated statewide to improve the stability of the subsidized child care system in California.

In particular, AB300 allows Monterey County to establish rules for:

- *Income eligibility* for families with income above the state entry eligibility cutoff ;
- *Provider reimbursement rates* for contracted care; and
- *Ways to maximize the efficient use of contracted funds.*

### **Pilot Goals and Plan Components**

Below, we describe the overarching goals of the AB300 pilot and proposed changes. All changes proposed in this plan are subject to approval from the Monterey County Child Care Planning Council, the Monterey County Board of Supervisors, and Early Education and Support Division at CDE.

The AB300 Pilot intends to stabilize the child care system, allow families to remain in care for a longer period with higher earnings, and implement strategies that stabilize child care placements for families. In addition to these goals, the pilot legislation requires that the Pilot

increase the earned child days of enrollment (cde's) compared to the baseline and maximize the take of child care dollars in the County.

**Increase the viability of the Monterey County subsidized child care system for contractors.**

A key goal in creating AB300 is to increase stability and retention of child care contractors who are unable to meet their needs under the current system. Since the Pilot does not allow for additional funds to the County, the Pilot seeks to model funding flexibility and local control to maximize contractor earnings. Specific changes in the Pilot include the following:

- Reallocate contract funds from direct service contractors in Monterey County who are not fully earning their contracts to the Pilot beginning FY 19.20. If applicable, these funds will be used to implement higher contractor reimbursement rates (called the Pilot Reimbursement Rate or PRR).
- Restore the age eligibility for CSPP contracts to 2.9 years old (3 years on or before December 1<sup>st</sup>) and allow children who turn three after December 1<sup>st</sup> to receive services on or after their third birthday.
- Allow the Pilot to make contract transfers between agencies throughout the fiscal year pending approval from CDE on the time periods during which contact transfers can take place. Adjustments made between contractors will be monitored by the contractor themselves, across the Pilot by County administrators, and at the state level by EESD. CDE must approve of all transfers between agencies before they are finalized.
- Authorize families for 6.5 hours of services if their only need is seeking housing or seeking employment.

**Increase the ability of low-income families to move toward self-sufficiency through higher earnings.**

- Implement a higher entrance income eligibility threshold (same as exit 85%) for new families compared to the state threshold. This would apply to all age children, in Stage 2, Stage 3, CCTR, GAPP, CSPP, CHAN, Family Child Care Homes Education Network (CFCC), and Migrant (CMIG) contracts.

**Increase the stability of care placements for families.** In addition to the plan elements listed above, the Pilot seeks to include elements that increase family stability and lessen disruptions to children and families.

- Allow 24-months or until the end of the fiscal year (whichever is longer) of family eligibility in half day CSPP programs. The only events that would trigger a re-determination of eligibility would be: (1) if the family's income exceeds the maximum allowable by federal law or (2) if the family needs to expand hours to full day services due to need.
- Reinstate sibling preference in enrollment.
- Authorize 12 month eligibility for families certified with seeking employment as the only need.

## NEEDS ASSESSMENT

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Monterey County, with a total population of about 435,000, is diverse in its geography, economic drivers, and demographics. The median household income in Monterey County is \$60,899. This compares to California overall at \$63,783.<sup>i</sup> The child poverty rate in Monterey County is 27.3%, above the overall rate of 24.4% in California.<sup>ii</sup> For ages 0-12 years, there are a total of 53,119 children in working families, 50,251 in families with 70% of state median income, and 28,509 in working families with 70% of state median income.<sup>iii</sup>

The 0-4 population is projected to decline by 6.1% between 2015 and 2025, which is also reflected in projected Kindergarten enrollment.<sup>iv, v</sup>

In part because jobs across the county are seasonal - agriculture and tourism – the unemployment rate is lowest during the high season, summer months, ranging from a high of 11.7 to a low of 5.1.<sup>vi</sup>

The Department of Housing and Urban Development defines the fair market rents as the rent level where 40% of recent movers pay less than the FMR and 60% pay more than the fair market rent.<sup>vii</sup> The National Low Income Housing Coalition uses the fair market rents to calculate a housing wage. The housing wage is defined as the wage income required to pay no more than 30% of income to afford rent at the fair market rate. *Based on that wage, in Monterey County the annual income needed to afford renting a two-bedroom home is \$56,680, compared to \$64,311 for all of California. Of all households in Monterey County, 51% are renters.*<sup>viii</sup>

In 2014, 39.8% of children under 18 live in crowded households (more than one person per room).<sup>ix</sup> In January 2017, there were 2,837 homeless counted. 36% are female, 64% male, and 605 are chronically homeless. There were 160 families with 550 total family members, 66% are sheltered, and 34% unsheltered.<sup>x</sup> In 2016, 19.4% of all children under 18 live in families with public assistance, such as Supplemental Security Incomes or TANF.<sup>xi</sup> The prevalence of children with special needs is 14.4%, and the primary disability tends to be speech impairment.<sup>xii</sup>

Between 2010 and 2014, 23.7% of all children in Monterey County live in linguistically isolated households - the highest in the state, and compared to 11.7% in all of California. Linguistically isolated means living in households in which no person age 14 or older speaks English “very well.”<sup>xiii</sup> There is a large variance in languages spoken at home across the county: in the city of Monterey, 25.0% of families speak a language other than English at home, and in King City, 89.0% (the vast majority of families that do not speak English speak Spanish at home).<sup>xiv</sup>

According to the 2015 Monterey County Kindergarten Assessment Report, representing almost 35% of the county’s incoming Kindergartners (2,451 students), at entry, 21% of

Kindergartners had comprehensive mastery across all four developmental domains assessed by teachers using the Desired Results Developmental Profile for School Readiness. Of the domains, teachers ranked Self Regulation and Social Development as the most important domains. Children attending schools on the Peninsula and in South County achieved comprehensive mastery at higher rates than the countywide average; children in North County achieved mastery at about the same rate as the countywide average, and children from Salinas achieved comprehensive mastery at a lower rate than the countywide average. Students entering high-and medium-performing schools were more likely to achieve mastery. Of the surveyed population, 73% identified as Latino, 38% Spanish and English, 34% spoke Spanish only, and 61% of their families had incomes below the federal poverty line.<sup>xv</sup>

**Item 1 Households with Own Children under 18 Years, 2015**

	<b>% of Households</b>
Married couple with own children of the householder under 18 years	24.5%
Male householder, with no wife present, with own children of the householder under 18 years	3.6%
Female householder with no husband present, with own children of the householder under 18 years	7.9%

*Source: American Community Survey 2011-2015 estimates*

**Item 2 Number of Children by Age Group and Eligibility, 2016**

	<b>0-35 months</b>	<b>3-5 years</b>	<b>6-12 years</b>
Children in Working Families	10,356	12,534	30,229
Children in Families with 70% SMI	11,048	11,832	27,371
Children in Working Families with 70% SMI	6,435	5,883	16,191

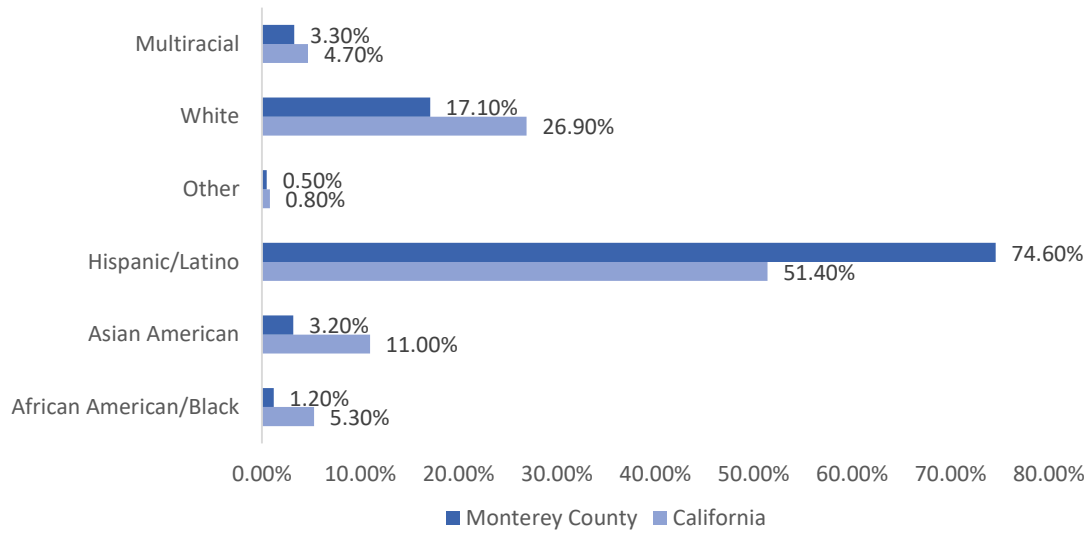
*Source: AIR Early Learning Needs Assessment Tool 2016 - American Community Survey & Public Use Microdata Sample analysis*

**Item 3 Kindergarten Enrollment Projections by School Year**

<b>School Year</b>	<b>Monterey County</b>	<b>California</b>
2016/17	6,959	522,267
2019/20	6,587	522,893
2022/23	6,393	512,078
2025/26	6,281	506,580

*Source: California Department of Finance, Demographic Research Unit, December 2016*

#### Item 4 Race & Ethnicity of All Children, 2016



Source: Kidsdata.org – CA Dept. of Finance & US Census Bureau

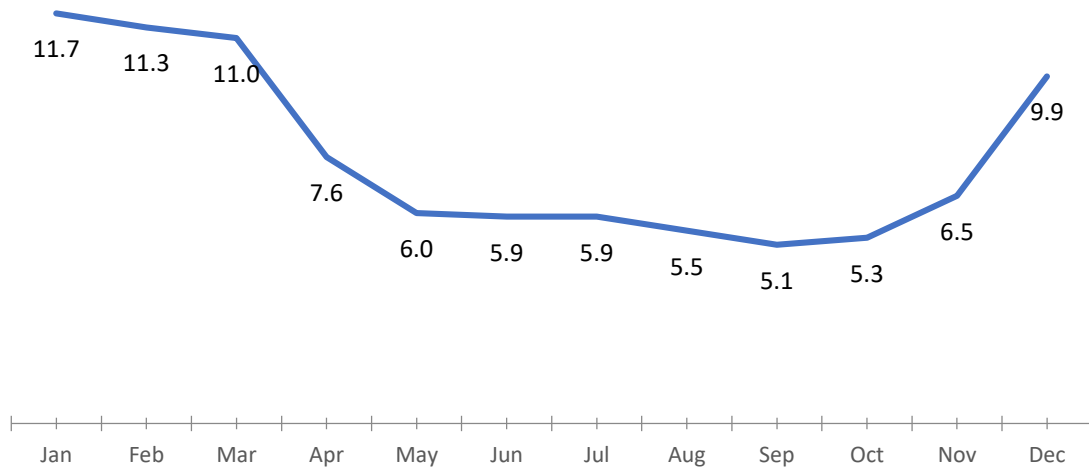
#### Item 5 % Families with Children Under 18 by Income & Benefit Bracket, 2015

	Monterey County	California
Less than \$10,000	4.8%	4.4%
\$10,000 to \$14,999	4.3%	3.2%
\$15,000 to \$24,999	9.2%	8.2%
\$25,000 to \$34,999	9.7%	8.3%
\$35,000 to \$49,999	14.3%	11.8%
\$50,000 to \$74,999	19.0%	16.7%
\$75,000 to \$99,999	12.9%	12.8%
\$100,000 to \$149,999	14.2%	16.8%
\$150,000 to \$199,999	5.9%	8.2%
\$200,000 or more	5.5%	9.6%

Source: American Community Survey 2011-2015 estimates



## Item 6 Monthly Unemployment Rate for Monterey County, 2016



Source: California Employment Development Department

## Item 7 Fair Market Rents by Unit Bedrooms, 2017

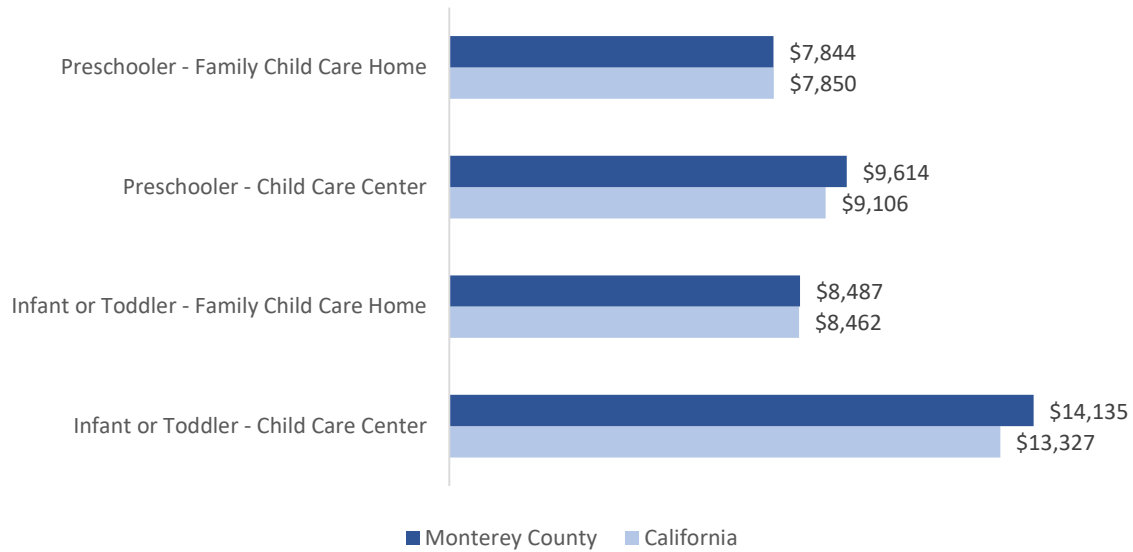
	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
California	\$1,068	\$1,261	\$1,608	\$2,220	\$2,578
Monterey County	\$950	\$1,133	\$1,417	\$2,063	\$2,206

Source: US Department of Housing and Urban Development, [huduse.gov](http://huduse.gov)

## Item 8 Comparison of Income Eligibilities for Subsidized Programs, 2017

	Family of 4
Federal Poverty Level - At or below Eligible for Head Start	\$28,780
Head Start Over Income Eligibility - 101-130%	\$31,980
Estimated State Median Income (SMI) for Family of 4	\$80,458
60% of State Median Income - California	\$48,275
Annual Income on the Free Eligibility Scale - Meals, Snacks, and Milk	\$31,525
Annual Income on the Reduced-Price Eligibility Scale - Meals and Snacks	\$44,863

## Item 9 Annual Cost of Child Care, by Age Group and Type of Facility, 2014



source: Kidsdata.org - California Child Care Resource & Referral Network, California Child Care Portfolio 2015

## Item 10 Comparison of Daily Child Care Center Rates: Regional Market Rates & Standard Reimbursement Rates, 2017

	Regional Market Rate	Standard Reimbursement Rate
Infant & Toddler (0-24mos)	\$90.75	-
Infant (0-18mos)	-	\$68.34
Toddler (18-36mos)	-	\$56.28
Preschooler (2-5yrs)	\$63.05	\$40.45
School Age (6-12yrs)	\$52.71	\$40.20

Source: California Department of Education Management Bulletin 16-11 & 17-17

# Item 11 California Department of Education Family Fee Schedule, Effective July 1, 2017

State initial enrollment cutoff = 70% of 2015 SMI from CA DOF (2015 ACS Management Bulletin 17-08), State Grad. Phase-Out cutoff = 85% of 2015 SMI from CA DOF (2015 ACS Management Bulletin 17-09)								
Family Fee Schedule								
Monthly Part-time Fee	Monthly Full-time Fee	Family Size 1 or 2	Family Size 3	Family Size 4	Family Size 5	Family Size 6	Family Size 7	Family Size 8 or more
\$ 26.00	\$ 52.00	2,245	2,418	2,717	3,152	3,587	3,668	3,750
\$ 32.00	\$ 64.00	2,303	2,480	2,787	3,233	3,679	3,762	3,846
\$ 39.00	\$ 78.00	2,418	2,604	2,926	3,394	3,863	3,950	4,038
\$ 45.00	\$ 90.00	2,476	2,666	2,996	3,475	3,955	4,044	4,134
\$ 52.00	\$ 103.00	2,591	2,790	3,135	3,637	4,138	4,233	4,327
\$ 59.00	\$ 118.00	2,706	2,914	3,275	3,798	4,322	4,421	4,519
\$ 68.00	\$ 136.00	2,763	2,976	3,344	3,879	4,414	4,515	4,615
\$ 79.00	\$ 158.00	2,879	3,100	3,484	4,041	4,598	4,703	4,807
\$ 89.00	\$ 177.00	2,936	3,162	3,553	4,122	4,690	4,797	4,903
\$ 100.00	\$ 200.00	3,051	3,286	3,693	4,283	4,874	4,985	5,096
\$ 109.00	\$ 218.00	3,109	3,348	3,762	4,364	4,966	5,079	5,192
\$ 120.00	\$ 240.00	3,224	3,472	3,902	4,526	5,150	5,267	5,384
\$ 129.00	\$ 258.00	3,282	3,534	3,971	4,607	5,242	5,361	5,480
\$ 141.00	\$ 281.00	3,397	3,658	4,111	4,768	5,426	5,549	5,673
\$ 152.00	\$ 304.00	3,512	3,720	4,180	4,849	5,518	5,643	5,769
\$ 161.00	\$ 322.00	3,569	3,782	4,250	4,930	5,610	5,737	5,865
\$ 172.00	\$ 344.00	3,685	3,844	4,320	5,011	5,702	5,832	5,961
\$ 181.00	\$ 362.00	3,742	3,906	4,389	5,092	5,794	5,926	6,057
\$ 193.00	\$ 386.00	3,857	3,968	4,459	5,172	5,886	6,020	6,153
\$ 196.00	\$ 391.00	3,915	4,030	4,529	5,253	5,978	6,114	6,250
\$ 202.00	\$ 403.00	4,030	4,092	4,598	5,334	6,070	6,208	6,346
\$ 204.00	\$ 408.00	4,088	4,154	4,668	5,415	6,162	6,302	6,442
\$ 208.00	\$ 415.00	4,145	4,234	4,758	5,519	6,280	6,423	6,566
\$ 212.00	\$ 424.00	4,260	4,340	4,807	5,577	6,346	6,490	6,634
\$ 218.00	\$ 435.00	4,318	4,402	4,877	5,657	6,438	6,584	6,730
\$ 222.00	\$ 444.00	4,433	4,464	4,947	5,738	6,530	6,678	6,826
\$ 229.00	\$ 458.00	4,491	4,588	5,016	5,819	6,622	6,772	6,923
\$ 234.00	\$ 467.00	4,606	4,712	5,086	5,900	6,714	6,866	7,019
\$ 238.00	\$ 476.00	4,779	4,836	5,156	5,981	6,806	6,960	7,115
\$ 243.00	\$ 485.00	4,836	4,898	5,225	6,061	6,897	7,054	7,211
\$ 245.00	\$ 489.00	4,894	4,960	5,295	6,142	6,989	7,148	7,307
\$ 254.00	\$ 507.00		5,084	5,365	6,223	7,081	7,242	7,403
\$ 258.00	\$ 516.00		5,146	5,434	6,304	7,173	7,336	7,499
\$ 262.00	\$ 524.00		5,208	5,504	6,385	7,265	7,430	7,596
\$ 264.00	\$ 527.00		5,270	5,574	6,466	7,357	7,525	7,692
\$ 282.00	\$ 564.00			5,643	6,546	7,449	7,619	7,788
\$ 286.00	\$ 571.00			5,713	6,627	7,541	7,713	7,884
\$ 289.00	\$ 578.00			5,783	6,708	7,633	7,807	7,980
\$ 293.00	\$ 585.00			5,852	6,789	7,725	7,901	8,076
\$ 296.00	\$ 592.00			5,922	6,870	7,817	7,995	8,172
State Monthly Income Ceilings 39% SMI		2,245	2,418	2,717	3,152	3,587	3,668	3,750
State Monthly Income Ceilings 70% SMI		4,030	4,340	4,877	5,657	6,438	6,584	6,730
State Monthly Income Ceilings 85% SMI		4,894	5,270	5,922	6,870	7,817	7,995	8,172
State Monthly Income Ceilings 100% SMI		5,757	6,200	6,967	8,082	9,197	9,406	9,615

Source: California Department of Education, Management Bulletin 17-11

Item 12 Number of Children in CA Dept. of Education Subsidized Child Care,  
2016

	0-11 mos	12-23 mos	24-35 mos	3 year olds	4 year olds	5 year olds	TOTAL
<b>CA Dept. of Ed Child Care Subsidy</b>							
# in Full-day California State Preschool Program (CSPP)				201	336	34	<b>571</b>
# in Part-day California State Preschool Program (CSPP)				328	973	61	<b>1362</b>
# in CalWORKs Stage 2 Programs	7	20	18	25	25	28	<b>123</b>
# in CalWORKs Stage 3 Programs	1	6	3	12	11	22	<b>55</b>
# in General Child Care, Center-based Child Care (CCTR)	45	103	145	56	46	35	<b>430</b>
# in Center-based Migrant Child Care (CMIG)	15	40	51	57	49	9	<b>221</b>
# in Alternative Payment Programs (CAPP)	9	16	28	22	30	32	<b>137</b>
<b>TOTAL</b>	<b>77</b>	<b>185</b>	<b>245</b>	<b>701</b>	<b>1470</b>	<b>221</b>	<b>2899</b>
<b>Child Care Setting</b>							
# in CDE Licensed Family Child Care Homes	34	64	104	97	103	85	<b>487</b>
# in CDE Licensed, Center-based Settings	50	121	158	597	1347	119	<b>2392</b>
# in CDE Licensed-exempt Settings	1	5	5	8	5	15	<b>39</b>
<b>TOTAL</b>	<b>85</b>	<b>190</b>	<b>267</b>	<b>702</b>	<b>1455</b>	<b>219</b>	<b>2918</b>

Source: American Institute for Research, *Infant/Toddler and Preschool Reports 2016*

<sup>i</sup> US Census Bureau, American Community Survey, 2012-2016 American Community Survey 5-Year Estimates

<sup>ii</sup> As cited by Child Poverty in California, Public Policy Institute, estimated by 2013-2015 CPM.

<http://www.ppic.org/publication/child-poverty-in-california/>

<sup>iii</sup> American Institute for Research, Early Learning Research Tool 2016

<sup>iv</sup> Projections Prepared by Demographic Research Unit, California Department of Finance, February 2017.

<http://www.dof.ca.gov/Forecasting/Demographics/Projections/>. Estimated 0-4 population is for 2015 is 32,509 and for 2025 is 30,532

<sup>v</sup> California Department of Finance, Demographic Research Unit, December 2016.

[http://www.dof.ca.gov/Forecasting/Demographics/Projections/Public\\_K-12\\_Graded\\_Enrollment/](http://www.dof.ca.gov/Forecasting/Demographics/Projections/Public_K-12_Graded_Enrollment/)

<sup>vi</sup> *California Employment Development Department, 2016*

<sup>vii</sup> Department of Housing and Urban Development, [https://www.huduser.gov/portal/elist/2016-august\\_30.html](https://www.huduser.gov/portal/elist/2016-august_30.html)

<sup>viii</sup> National Low Income Housing Coalition. Out of Reach 2017: The High Cost of Living.

<sup>ix</sup> As cited on Kidsdata.org: Population Reference Bureau, analysis of data from the U.S. Census Bureau's American Community Survey microdata files (Nov. 2015)

<sup>x</sup> Monterey County Homeless Census 2017, by Applied Survey Research. In this study, the HUD definition of homelessness for the Point-in-Time Count is used. This definition includes individuals and families: Living in a supervised, publicly- or privately-operated shelter designated to provide temporary living arrangement; or with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground. This definition does not include individuals who were sleeping in hotel/motels, jail or prison, were couch surfing, or living in "doubled up" situations.

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<sup>xi</sup> US Census Bureau, American Community Survey 2016

<sup>xii</sup> \* As cited on kidsdata.org: US Census Bureau, American Community Survey 2015

<sup>\*\*</sup>Child and Adolescent Health Measurement Initiative, Data Resource Center for Child and Adolescent Health, advancing data-in-action partnerships for children and children with special health care needs in California counties and cities using synthetic estimation from the 2011/12 National Survey of Children's Health and 2008-2012 American Community Survey (Apr. 2016)

<sup>xiii</sup> US Census Bureau American Community Survey 2016

<sup>xiv</sup> US Census Bureau, American Community Survey 2016

<sup>xv</sup> First 5 Monterey County, prepared by Harder + Co. Nurturing Success: A Portrait of Kindergarten Readiness in Monterey County. Released 2017.

## COUNTY GOALS & PILOT COMPONENTS

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Subsidies for quality early education and child care services are important supports for low-income families, helping parents gain and maintain stable employment. At the same time, high quality programs promote healthy development and school readiness for children, including cognitive development and social and emotional skills. Moreover, research shows that stable child care is important for children's development and may be particularly important for children at risk of poor developmental outcomes. The lack of reliable child care also affects mothers' ability to remain employed, while many parents who receive subsidized child care work in sectors such as retail and service areas that are associated with employment volatility.<sup>1</sup> Indeed, one goal of the reauthorization of the federal Child Care and Development Block Grant Act in 2014 was to incorporate more family friendly eligibility policies to promote greater child care stability for parents and children.

In its local child care subsidy plan, Monterey County seeks to address two major breakdowns in the child care subsidy system as currently exists. First, families barely earning enough to meet the high costs of housing in the county are too high income to qualify for child care subsidies under existing regulations and those that do qualify can easily lose subsidies with small increases in their income. Second, difficulties in finding, certifying and recertifying children as eligible for subsidies combined with very low reimbursement rates make it difficult for providers to utilize their full allocation of state and federal child care and child development funds. Thus, fewer children are subsidized through these providers, and funding goes unused in the county.

**Recognizing these challenges, the local child care subsidy plan has two overarching goals:**

***Better meet the early education and child care needs of families in Monterey County through policies that***

***Expand subsidized care by implementing policies for child care contractors that meet the specialized needs of Monterey County***

These policies are incorporated in six components where the local approach will differ from statewide regulations. For each component, we provide a conceptual overview, link it to the goals above, note whether the component is consistent with pilots in other counties, and provide additional notes for background or clarification. Whenever possible, AB300 will use the same methodology as previously implemented in other approved Pilot Counties. This includes the strategy for calculating a "pilot reimbursement rate" (PRR). However, we propose calculating this in Year 2 of the pilot to give a reasonable time to measure the effect of State and Pilot policy changes on contract earnings.

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<sup>1</sup> For an overview of the role of child care stability, see Adams, G., & Rohacek, M. (2010). *Child Care Instability: Definitions, Context and Policy Implications*. Washington, DC: Urban Institute.

<b>Component 1:</b> Implement the family fee schedule to the 85% State Medium Income levels detailed in Management Bulletin 17-11 as the entrance and exit income eligibility levels for participating contractors in the pilot.	
<b>Concept</b>	Families will be eligible for subsidized care if their income does not exceed 85% of the state median income (SMI) as provided by the California DOF. The same pilot income threshold will apply for both entry (initial enrollment) and exit eligibility.
<b>Goal(s)</b>	Support low-income families Reduce unearned funds Increase earned child days of enrollment
<b>Other Pilots</b>	San Mateo, San Francisco, Alameda, Santa Clara
<b>Notes</b>	As needed, the County will seek modification of this threshold to ensure that the pilot income eligibility is the maximum allowable under state guidelines.

<b>Component 2:</b> Recommend contract terms for pilot year two to redistribute unearned funds	
<b>Concept</b>	The Monterey County LPC will provide EESD with recommended contract terms for participating pilot contractors, including maximum reimbursable amounts (MRA), child days of enrollment and the pilot reimbursement rate (PRR) for FY 19.20 after more accurate data is obtained from the impact of state and pilot policy changes. Funds will be used in part to implement higher contractor reimbursement rates.
<b>Goal(s)</b>	Reduce unearned funds Increase earned child days of enrollment Promote contractor retention
<b>Other Pilots</b>	San Mateo, San Francisco, Monterey, Santa Clara.
<b>Notes</b>	Consistent with EESD requirements, the contract terms will maintain the existing funding streams and match the current county funding by contract type. At the end of the pilot contract terms would revert to the previous terms adjusted for any statewide changes in terms (e.g. changes in the statewide standard reimbursement rate). The pilot proposes to update the PRR in future years to address any continued under-earning or other priorities as they emerge.

Component 3: Authorize 24-month eligibility for families in half day CSPP programs entering subsidized care	
Concept	Consistent with federal goals to provide stable child care financial assistance to families, the Monterey pilot will establish 24-month redetermination periods for families who meet the income threshold for half-day subsidized care. The 24-month eligibility would apply to all age eligible children in part-day CSPP.
Goal(s)	Support low-income families Promote stable child care Reduce contractor administrative burden Promote contractor retention
Other Pilots	Monterey and Alameda have variants of the 24-month eligibility. Authorizing 24-month eligibility is consistent with Alameda County
Notes	Eligibility redetermination guidelines would be consistent with those now embedded in contractor handbooks developed for Monterey County. Specific features of this component include: Half-Day CSPP programs would be stable over 24-month eligibility period. Earlier redetermination could be triggered by the family by their choice to expand hours of care. Families will be instructed that they must notify the agency if their annual income will disqualify them for subsidies.

Component 4: Authorize 12-month eligibility for families certified with seeking employment as the only need	
Concept	Stable child care financial assistance is also a goal for families seeking employment. For these families, the period of eligibility will be 12 months, with no more than 12 months' eligibility based on job search within a 24-month period.
Goal(s)	Support low-income families Promote stable child care Reduce contractor administrative burden
Matched to	San Mateo, San Francisco, Alameda, Santa Clara



**Component 5:**

Incorporate additional changes to meet the needs of low-income families in Monterey County, including: Authorizing families for 6.5 hours of services if their only need is seeking housing or seeking employment

Concept	These additional components will assist in meeting the needs of families in the county and help contractors maximize enrollment.
Goal(s)	Support low-income families Promote stable child care
Other Pilots	Monterey, San Mateo and San Francisco, Santa Clara

**Component 6:**

Restore the age eligibility for CSPP contracts to 2.9 years old and allow children to enroll immediately on or after their third birthday if born after December 1<sup>st</sup>.

Concept	Serving children aged 2.9 to age 5 in CSPP will allow children to receive two years of state preschool before moving into TK. It will also allow contractors to fill CSPP classrooms at the beginning of the school year. Serving children who turn three after December 1 <sup>st</sup> will allow programs (especially LEA's) to fill vacancies left from children whose families migrate due agriculture or other needs. This change will help Monterey County contractors fill mid-year vacancies in CSPP programs.
Goal(s)	<ul style="list-style-type: none"><li>• Promote stable child care</li><li>• Reduce unearned funds</li><li>• Increase earned child days of enrollment</li></ul>
Matched to Other Pilots	San Mateo, San Francisco, Alameda, & Santa Clara currently have the 2.9 entry age. The enrollment on the third birthday after December 1 <sup>st</sup> is new to the Monterey County Pilot to account for the special needs of our agricultural population.
Notes	This would adjust the definition of “three-year-old children” in EC Section 8208 to include children who will have their third birthday on or before December 1 as well children who turn three after December 1 <sup>st</sup> to enroll on their third birthday in the fiscal year in which they are enrolled in a CSPP program. This will provide up to 9 additional months of early education experiences to children.

## EVALUATION PLAN

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Each year the County of Monterey will prepare an annual report on the pilot project for submission to EESD. Each annual report will be submitted in November and will reflect on the previous fiscal year. The first evaluation report will be submitted by November 30st 2019 and will cover fiscal year 2018/2019. These annual reports will provide four types of information. First, they will document the implementation of the pilot, both for the County itself and to assist the state and other counties in considering the implementation of similar changes. Second, they will provide the results to date on each of the outcome measures listed below. Third, they will track conditions in the County, comparing Monterey to elsewhere in the state as appropriate, to provide a context for the pilot's progress. Finally, they will identify any modifications in the pilot plan based on the previous year's experiences.

The Pilot established several evaluation goals outlined below. Each goal has a corresponding measure to track the success of the Pilot. Data for the Pilot evaluation will come from three sources of contractor-provided data and will be collected annually:

- 1) **Census:** Each year participating Pilot contractors will provide an extract of their April 801A data. This provides a point in time snapshot of children receiving care in the County including demographic information.
- 2) **Attendance and Fiscal Reports:** Contractors will provide the LPC with a copy of 4th Quarter Attendance and Fiscal Reports (8500/9500 Forms). This will provide information on earned CDEs and family fees.
- 3) **Provider Satisfaction Surveys:** Each provider will complete an annual online survey regarding their experiences with the Pilot project. The survey will be developed in collaboration with Monterey County and will examine contractors' experiences both positive and negative, and their perception of the impact of the Pilot on families.

Monterey County will track an outcome measure to match each of the goals for the individualized local child care subsidy plan described in the introduction. In this section, we review each of these goals and describe associated outcome measures. For each outcome measure, we provide a definition of the measure that will be used to guide its calculation and describe the data source or data collection plan.

### Goal 1: Increase the retention of Monterey County center-based child care contractors.

***Measure 1: The number of active direct services child care and development services contractors in Monterey County.*** This measure is defined as the number of direct service contractors providing contracted child care and development services on June 30th of each year. For comparison, we also obtained data from EESD on retention of direct service contractors in nearby counties over the same time period.

Data Source: Report from EESD on the number of active contractors in Monterey County and comparison counties. Monterey County currently has 32 center-based contractors and five Alternative Payment contractors.

Goal 2: Increase the ability of low-income families to move toward self-sufficiency through higher earnings.

**Measure 2: The number of children still eligible at recertification due to the Pilot income threshold.** This measure is defined as the number of children in April of each year who continue to be eligible for subsidized child care services because of the increased Pilot income threshold. These are children who, without the Pilot, would not be eligible for subsidized child care.

Data Source: April 801A data provided by contractors

Goal 3: Increase the stability of care placements for families.

**Measure 3: The number of children at risk of incoming out who are still in care the following year.** This measure is defined as: among children who were served in subsidized direct service slots at participating contractors and whose families had income at or above 65 percent of SMI at their last recertification, the share that were receiving services in Monterey County 12 months later. For the purposes of this measure, we exclude children who were expected to start kindergarten or age out of the state subsidy program.

Data Source: April 801A data provided by contractors

Goal 4: Increase the aggregate child days of enrollment in subsidized care in Monterey County.

**Measure 4: The aggregate adjusted child days of enrollment among Pilot contractors.** The legislation requires that the Pilot achieve an increase in child days of enrollment compared to the baseline number. For Monterey County, the baseline is the earned child days of enrollment among participating contractors in Fiscal Year 2014/2015. For Monterey County, the baseline is the earned child days of enrollment among participating contractors in Fiscal Year 2014/2015. Since two contractors operate in multiple counties, we plan only use CDEs in Monterey slots.

This component was included to ensure that the Pilot Reimbursement Rate did not improve payments to contractors by reducing enrollment. Each year the evaluator will re-calculate the baseline days of enrollment based on data provided by EESD to adjust for fluctuations in contract funds. Thus, the baseline is a formula rather than a static number. For example, if contract funds were reduced in a year of the Pilot to 85 percent of the baseline contract

funds, the baseline goal for that year would be calculated at 85 percent of the baseline CDE. This strategy is in use in San Mateo and San Francisco Counties and was proposed by EESD staff to offset increases or decreases in funding provided to contractors.

Data Source: 4th Quarter Attendance and Fiscal Forms.

**Goal 5: Maximize the take-up of Monterey County's child care and child development subsidy allocations.**

***Measure 5: The amount of unearned direct service contract funds returned to the California Department of Education.*** This measure is defined as the total contract allocations during a fiscal year that are unearned (not spent). The amount of unearned contract dollars is defined as the difference between the total contract allocations and the total dollars earned by participating contractors.

Data Source: 4th Quarter Attendance and Fiscal Forms

In addition to evaluation measures, we will include relevant information on provider perspectives from the annual survey and will include an appendix with demographic information from the 801A to provide the Pilot with demographics for the children in care. Demographic tables will include the following for each evaluation year of the Pilot:

- Number of children receiving subsidized care by contract type
- Reasons for receiving services
- Length of child participation
- Race/Ethnicity of children
- Age of children
- Family income
- Children receiving part-time care
- Families receiving Temporary Assistance to Needy Families (TANF)

In addition to providing information on the implementation and evaluation of the Pilot in Monterey, the implementation report will identify strategies or innovations that may be implemented statewide.

## APPENDIX A: Participating Contractors

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The following is a list of Monterey County State Contractors:

Alisal Union Elementary School District  
**Carmel Unified School District**  
**Early Development Services, Inc.**  
**Go Kids, Inc.**  
**Gonzales Unified School District**  
**Greenfield Unified School District**  
*Hartnell Community College*  
**King City Unified School District**  
**Mexican American Opportunity Foundation**  
**Monterey County Office of Education**  
**Monterey Peninsula College**  
**Monterey Peninsula Unified School District**  
**North Monterey County Unified School District**  
**Pacific Grove Unified School District**  
**Salinas City Elementary School District**  
**Santa Rita Union Elementary**  
**San Ardo Unified School District**  
**Soledad Unified School District**

**BOLD= Indicates signed agreement**

*Italic= On Board Agendas*

Standard= Meeting scheduled