



# County of Monterey

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

## Board Report

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**File #: 18-271, Version: 1**

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- a. Conduct a public hearing as required by Assembly Bill 300 on the Local Child Care Policy and Evaluation Plan for the Monterey County Individualized Child Care Subsidy Pilot; and
- b. Consider adopting a resolution to approve the Local Child Care Policy and Evaluation Plan for the Monterey County Individualized Child Care Subsidy Pilot.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Conduct a public hearing as required by Assembly Bill 300 on the Local Child Care Policy and Evaluation Plan for the Monterey County Individualized Child Care Subsidy Pilot; and
- b. Consider adopting a resolution to approve the Local Child Care Policy and Evaluation Plan for the Monterey County Individualized Child Care Subsidy Pilot.

### SUMMARY/DISCUSSION:

Assembly Bill 300 was an act to amend Section 8332.2 of, and to add and repeal Article 15.4.1 (commencing with Section 8348) of Chapter 2 of Part 6 of Division 1 of Title 1 of, the Education Code, relating to child care. It was approved by the Governor and chaptered into law on October 12, 2017.

This legislation authorizes a pilot plan to waive certain California Department of Education regulations related to local subsidized child care contracts to better meet the needs and goals of the local community. Without any additional funds, the pilot seeks to demonstrate the effects of limited local control, flexibility and stakeholder efficiency to support family self-sufficiency and to stabilize a fragile child care infrastructure.

Under current California Department of Education regulations, child care providers cannot maximize access to care and fewer children receive subsidized care; as a result, child care spaces are lost to parents and children in the County. The pilot approach allows Monterey County to address two fundamental concerns: first, that families struggle to earn enough to meet the high costs of living in the County and yet are nevertheless still 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.

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. Specifically, the legislation allows Monterey County to establish rules for income eligibility for families with income above the state entry eligibility cutoff level, provider reimbursement rates for contracted care; and ways to maximize the efficient use of contracted funds.

The amended section of the Education Code requires that the pilot plan be reviewed and approved by the County Board of Supervisors and says, in part:

8348.3. (a) The plan shall be submitted to the local planning council, as defined in subdivision (g) of Section 8499, for approval. Upon approval of the plan by the local planning council, the board of supervisors of the county shall hold at least one public hearing on the plan. Following the hearing, if the board votes in favor of the plan, the plan shall be submitted to the

Early Education and Support Division of the department for review.

Attached is the plan for the pilot which has been approved by the Monterey County Child Care Planning Council.

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. The six components in the pilot plan are summarized below.

1. Increase the income threshold for entry and exit into subsidized care to 85% of the State Median Income (SMI). Currently the threshold to enter care is 70% of SMI and exiting is 85% of SMI. The pilot would allow families to enter and exit at the higher level of 85% of SMI.
2. Modify contract terms in the second year of the pilot (including new maximum reimbursable amounts, child days of enrollment and pilot reimbursement rates) to allow for redistribution of funds between contracts so as to maximize child care provider capacity to serve children.
3. Authorize 24-month eligibility for families utilizing half-day services only.
4. Authorize 12-month eligibility for families certified with seeking employment as the basis for need.
5. Restore the age eligibility for California State Preschool Program (CSPP) contracts to 2.9 years old. Children can then receive two years of state preschool before moving into TK. This amends the definition of "three-year-old children" to include children who will have their third birthday on or before December 1 in the fiscal year in which they are enrolled in a CSPP program. Additionally, authorize children born after December 1st to begin services immediately on or after their third birthday
6. Incorporate additional changes to meet the needs of low-income families in Monterey County, including: Authorizing families for 6.5 hours of service if their only need is seeking housing or seeking employment.

#### OTHER AGENCY INVOLVEMENT:

The Department of Social Services and First 5 Monterey County have reviewed this plan. The Monterey County Child Care Planning Council has approved the plan and the agencies listed in Appendix A of the plan as contractors have reviewed and approved the plan.

#### FINANCING:

There are no costs associated with this request.

#### BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Access to quality licensed child care promotes healthy childhood development, school readiness, family self-sufficiency, and long term community economic well-being. This AB 300 Pilot Plan was collaboratively developed by local child care providers to maximize accessibility to State subsidized child care slots.

Check the related Board of Supervisors Strategic Initiatives:

- ☒ Economic Development
- ☒ Administration
- ☒ Health & Human Services
- Infrastructure
- Public Safety

Approved by: Elliott Robinson, Director, Department of Social Services

Attachments: Monterey County Individualized Child Care Subsidy Plan and the Board Resolution