

Alameda County Subsidized Child Care Pilot Program

Information Sheet: May 10, 2019

For many years, Alameda County State Contractors were struggling with the “one-size fit all” approach to serving families and their children as well as returning millions of dollars back to the State in unearned contract funds. In 2004 and 2005 San Mateo and San Francisco Counties were approved to pilot a subsidized child care program allowing them to make local regulation changes on how a family can qualify for a subsidized program. At that time, the 2 counties made changes to their daily reimbursement rate using unspent funds from their county contractors and made the re-certification income ceiling at 85% SMI.

10 years later Alameda County reached out to Rob Bonta to author our own Pilot Bill, AB 833, which was signed into law. Alameda County had 100% of its contractors sign on to participate in the Pilot. Alameda County contractors were also determined to make more local regulation changes to make eligibility for subsidized services less burdensome for families and lessen the administrative restrictions for our contractors. AB 833 allows Alameda County to make changes to the following areas:

1. Eligibility Criteria: age, family size, time limits, income level, inclusion of former and current CalWORKs participants and special needs considerations.
2. Family Fees
3. Reimbursement Rate
4. Methods of maximizing the efficient use of subsidy funds: multiyear contracting and flexibility of interagency agreement for temporary transfer of funds

While Pilot Bills allow counties to make local regulation changes in order to better serve families, counties must also demonstrate that these changes have allowed contractors to serve more children and therefore Pilot Counties need to show an increase in child days of enrollment.

Alameda County State Contractors met monthly as well as held special meetings to develop a Pilot Plan that would be submitted to CDE for final approval. In conclusion Alameda County presented the following Plan to CDE:

1. Use unspent funds from our CCTR, CSPP, and CHAN contracts to increase the reimbursement. (CCTR: 6% increase; CSPP: 7% increase; CHAN: 1% increase)
2. Allow high-rate school districts to claim adjustment factors
3. Allow school-age programs to claim Limited and Non-English Proficient adjustment factor for children in grades 1st-5th
4. Restore the age eligibility for CSPP to 2 years 9 months.
5. Reinstate sibling preference in enrollment after CPS/At Risk children
6. Allow 32.5 hours of child care services for families seeking employment or housing
7. Implement higher income eligibility of 85% SMI at initial and re-certification
8. Allow 24-months, or end of fiscal year for family eligibility time frame

After several months for communication with CDE regarding the Pilot Plan, the Alameda County Pilot Plan was approved in October 2016. Unfortunately, at that time, due to language in AB 833, our Alternative Payment Program agencies were not able to take part in the Pilot, and our Part-Day/Part-Year CSPP programs were not able to have the 24-months, or end of fiscal year eligibility time frame. These two matters will later be corrected in AB 435 which was approved on January 1, 2018.

In December 2016, San Mateo and San Francisco counties submitted modification letters to CDE requesting that their Pilot Plan match that of Alameda County's. Their request was approved in January 2017. At that same time Santa Clara County introduced a Pilot bill of their own which was approved and their final Pilot Plan, also matching Alameda County's Pilot Plan was approved in February 2018.

For fiscal year 2016-2017, Alameda County had an active Pilot Plan for 8 months and within those months, Alameda County contractors were able to provide services to 886 additional children due to the changes with the income eligibility and served 145 additional children due to the changes with the CSPP age eligibility. The eligibility and enrollment staff at our agencies did a phenomenal job reaching out to families and servicing more children. Although the county was able to serve more children, we were 0.88% short in reaching our adjusted child days of enrollment which is roughly 46 children. In addition, Alameda County contractors returned less money to the State. FY 16-17, Alameda County returned 10% of contracted funds back to the State, compared to 14% in FY 15-16.

Thanks to the proven success of our Pilot, reaching out to our neighboring counties, and educating the community about our Pilot, 9 additional counties submitted Pilot Bills, all of which were approved. After the approval of the Bills, the Governor's Office, CDE, and representatives from all 13 Pilot Counties met to help streamline the process for Pilot Plan approvals. In these meetings, AB 108 was created, and signed into law in March 2018. Among other things, this bill allows CalWORKs Stage 1 to participate in Pilots and it also extended our Pilot until June 30, 2021.

Alameda, San Francisco, San Mateo, and Santa Clara Counties continued to educate the community as well as CDE about the benefits their families are seeing due to the changes. In March 2018, Assembly Member Mullin introduced AB 2626 which included few Pilot components and was signed into law in September 2018. AB 2626 changed the family income eligibility for all State contracts to 85% SMI for both initial enrollment and recertification, as we have in our Pilot. This bill also extends CSPP age eligibility to children who will have their 3rd birthday after December 1st, of the fiscal year in which they will be served, to start preschool when the child is chronologically 3. This will go into effect July 1, 2019.

CDE too recognized the benefits and made changes for the whole state. In July 2018, CDE introduced 12-month eligibility and increased the re-certification income eligibility to 85% SMI. At the same time, they have also been working on making changes to the Title 5 regulations, the regulations used by State Contractors to determine eligibility and enrollment. Some of the proposed changes follow what Alameda County has been piloting, such as allowing families who are seeking employment or seeking housing to receive 32.5 hours of care a week, the state currently allows less than 30 hours. These Title 5 changes are still pending but we are confident that they will be approved.

As a Pilot County, we are happy to see the changes CDE is making to improve how families qualify for subsidized care, and lessen the administrative burden on our contractors, but we have recognized that the needs for our families and their children change and we need to be able to change along with them therefore it is important that our Alameda County Pilot Plan continues after June 30, 2021. San Mateo and San Francisco counties have a "no sunset" Pilot, it is our goal to have the same. It is imperative that we continue to have a Pilot so that we can continue to adjust the eligibility and enrollment into subsidized care that will continue to meet the needs of our families and their children. We have shown that these changes work, help us make sure that we can continue to do so.