

AB 60 (Santiago & Gonzalez Fletcher)

The Child Care Protections for Working Families Act

Bill Summary

AB 60 establishes 12-month child care assistance and a graduated phase out that allows for tapered assistance to families whose income has increased at the time of re-determination, but still does not exceed the federal income limit of 85% of State Median Income (SMI).

Existing Law

Title V of the California Code of Regulations requires families to report, within 5 days, any changes in family income, family size, or activities requiring child care. A parent who is a student must report any request for a change in class schedule within 5 days, and progress reports within 10 days. Families authorized for a "variable schedule" due to unpredictable days and hours of employment must also, every 4 months, submit pay stubs, written statements from their employers, or other records of their time for the prior 4 months. Child care may be terminated for failure to report, or for purported lack of eligibility based on new information.

Current law states that families may not receive child care assistance for more than 12-months without redetermination of eligibility, but offers no protection from repeated reporting or termination prior to 12 months.¹

Existing law allows families in state child care programs to earn no more than 70% of a derived SMI based on income data from a decade ago.²

¹ Cal. Educ. Code § 8263 (a)(state has general authority to adopt rules and regulations on eligibility, enrollment); Cal. Code Regs. tit. 5, § 18103(a)(3)("[F]amilies shall be recertified at least once each contract period and at intervals not to exceed twelve (12) months.").

Background

The federal Child Care Development Block Grant Act of 2014 requires states immediately to implement a number of policies to promote stable child care assistance. California is not in compliance with the stable child care provisions of the federal law.

In California, burdensome reporting rules cause eligible families to churn between child care programs and long waiting lists for the programs. Churning disrupts children's school readiness and development; makes it impossible for child care providers to balance ledgers or plan for quality investments; and burdens employers and education providers to sign off on endless paperwork.

While a low-income working family that never underwent even small changes in income or activities might experience 12-months of uninterrupted child care assistance, extensive reporting requirements mean that, effectively, few families have this guarantee.

California does not have a statewide policy of graduated phase out. County pilots in cities such as San Francisco and San Mateo allow families to remain eligible up to 80% of SMI. Phase-out allows for moderate wage growth, such as through minimum wage increases, without the sudden withdrawal of support that can undermine a family's pathway to financial stability.

There is broad consensus among child care administrators, advocates, and parents that the

² Cal. Educ. Code §§ 8263.1(a)-(c)(setting income limits based on SMI in use for the 2007-08 fiscal year, which was based on data collected in 2005).

state's current reporting rules are harmful, and that establishing more stability within the child care system will create better outcomes for children.

Need for AB 60

AB 60 will bring the state into compliance with the federally required 12-months of child care assistance by relaxing the unrealistic reporting timelines that harm families the most.

Specifically, this bill protects families eligible for child care by:

- Updating the SMI income threshold for entering families to 70% of the current SMI;
- Updating income threshold at which families exit to 85% of the current SMI;
- Guaranteeing eligibility for child care for 12 months upon receiving a child care subsidy; and
- Eliminating required interim reporting during the 12 month-eligibility period unless:
 - family income exceeds 85% SMI; or
 - initial certification is under seeking employment, in which case the family must report at 6 months.

Support

For More Information

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