

California Legislature



Colonel Rocky J. Chávez
Assemblymember, 76th District

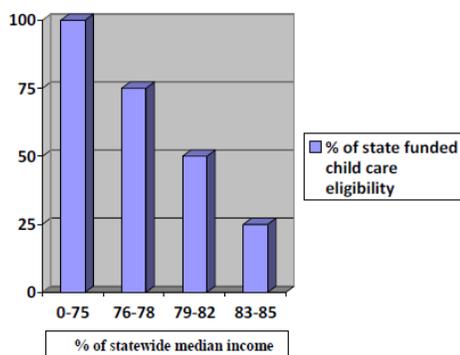
FACT SHEET Assemblymember Colonel Rocky J. Chávez

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) 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.



- 2) Implements "12 month eligibility" for family income reporting rather than the current quarterly income reporting requirements.

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

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.

AUTHOR'S STATEMENT

"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

OPPOSITION
