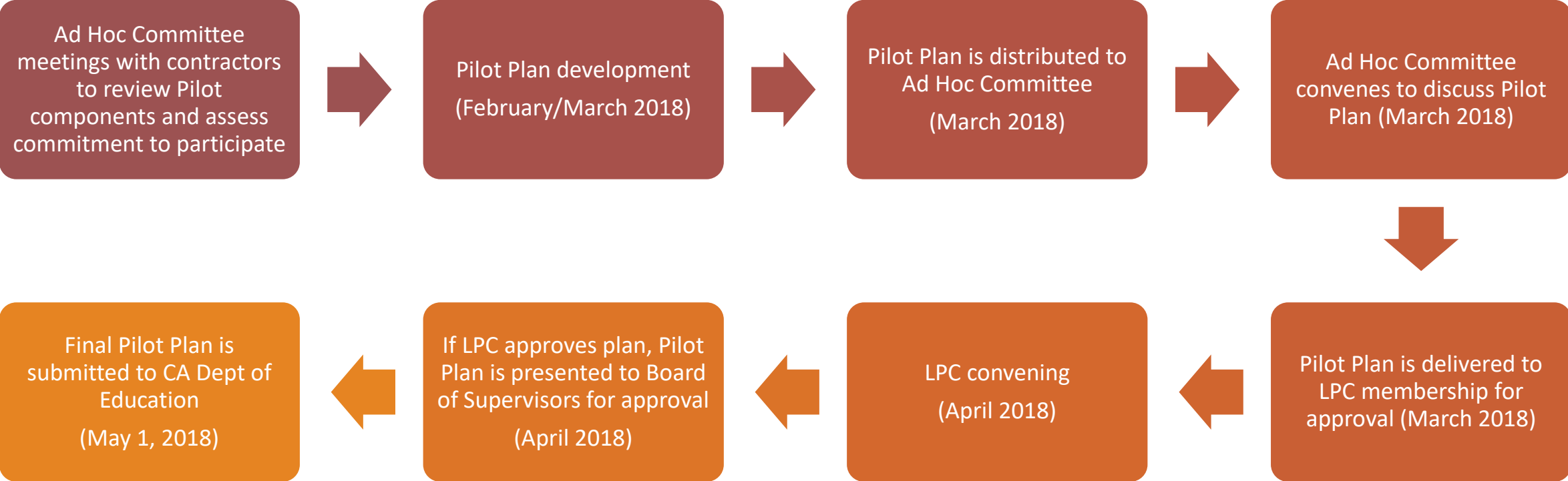


Pilot Plan Development

PREPARED BY MISSION ANALYTICS GROUP, INC.
FOR MARIN COUNTY, FEBRUARY 27, 2018

Prospective Timeline: Marin County Subsidy Pilot Plan Development



Plan Components

Initial Plan

1. Income Eligibility
2. 24-Month Eligibility
3. Job-Search Eligibility
4. Family Fees
5. Age Eligibility for CSPP Care
6. Other Components

Future Revised Plan

7. Redistribute Unearned Funding

1. Income Eligibility (San Mateo, San Francisco, Alameda, Santa Clara)
 - Increasing the income threshold for initial eligibility for subsidized care for Title 5 contractors to 85% of the state median income
2. 24-Month Eligibility (San Mateo, San Francisco, Alameda*, Santa Clara)
 - Authorizing 24-month eligibility for families entering subsidized care and families eligible based on a need other than job search
3. Job Search Eligibility (San Mateo, San Francisco, Alameda, Santa Clara)
 - Authorizing 12-month eligibility for families certified for seeking employment as the only need

*Alameda has a variant of 24-month eligibility.

4. Family Fees (San Mateo, San Francisco, Alameda, Santa Clara)
 - Establishing a family fee schedule for families with income above the state eligibility cutoff setting fees at approximately 10% of family income – **Not currently relevant**

5. Age Eligibility for CSPP Care (San Mateo, San Francisco, Alameda, Santa Clara)
 - Allowing children aged 2.9 to be served in state preschool contracts to facilitate the transition to TK

6. Other Components (San Mateo, San Francisco, Alameda, Santa Clara)
 - Authorizing 6.5 service hours for families seeking housing or seeking employment

Elements Not Accepted by CDE

- ❖ Adjustment Factors (In Alameda, San Francisco, Not accepted for Santa Clara)
 - Allowed programs to treat all contracts and age groups consistently in the use of adjustment factors
 - Specifically applies to high rate districts
- ❖ Sibling Preference (In Alameda, Not accepted for Santa Clara)
 - Allowed contractors the option to give preference to siblings of children already enrolled in a program
- ❖ Two-year contracts (Proposed by Santa Clara, Not accepted)
 - Allow contractors the option of opting in for two-year contracts

OTHER NOTES

Applying Eligibility Criteria to Voucher Programs

At County option, families receiving child care assistance through vouchers will be eligible under the same criteria as the pilot contractors.

- ❖ Voucher programs include:
 - CalWORKs Stage 2 (C2AP)
 - CalWORKs Stage 3 (C3AP)
 - Alternative Payment Program (CAPP)
- ❖ Reimbursement rates for vouchers will not be affected

PILOT PARTICIPATION

Pilot participants agree to:

- ❖ Accept revised contract terms reflecting the changes in eligibility
- ❖ If relevant, use pilot family fee schedule
- ❖ Provide data or authorize data release on earnings, enrollment and family characteristics
- ❖ Assist in annual reporting
- ❖ If underearning, amend contracts (temporarily) to increase pilot rates
- ❖ As needed, facilitate temporary transfers

About pilot participation

- ❖ Currently, a contractor can only opt in at the beginning of the pilot
- ❖ A contractor can opt out at any time, but cannot return
- ❖ Contractors do not need to give up funds to participate

Questions?

1. Income Eligibility

Counties can implement higher income eligibility thresholds for families receiving subsidized care.

- ❖ New maximum can be up to the maximum allowed by the federal government = 85% of the state median income from the US Department of Health and Human Services
- ❖ Creates a “pilot income eligibility range”
 - Between current state maximum (70% of the 2005 state median income from the CA Department of Finance) and new threshold
- ❖ Entry and exit income requirements would be identical

2. 24-Month Eligibility

Authorizes 24-month eligibility for families entering subsidized care and eligible on a basis of need other than job search

- ❖ Re-determination of eligibility if...
 - Family's income exceeds pilot income ceiling
 - Family can lower family fee or expand hours of care under different eligibility threshold

3. Job-Search Eligibility

Authorize 12-month eligibility for families certified with seeking employment as the only need

- ❖ Parents seeking employment receive 12 month eligibility within a 24 month period

4. Family Fees

Counties can implement their own family fee schedule *in the pilot range only*.

- ❖ One fee per family independent of number of children receiving subsidized care
- ❖ Families pay about 10% of monthly income in child care fees
- ❖ Families can deduct fees paid for children in unsubsidized care from any family fee they owe for subsidized care.

5. Age Eligibility for CSPP Care

State preschool agencies that serve children for two years can consider them under the pilot income thresholds

- ❖ CSPP can enroll children under 3 (2.9 years old)
- ❖ Facilitates transition to TK

6. Other Components

❖ Service Hours

- 6.5 hours of services instead of 6 if a family's only need is either seeking housing or seeking employment.

Revised Pilot Plan: Redistribute Unearned Funding

Establish contract terms for the first year of the pilot to re-allocate previously unearned funding

- ❖ LPC will provide recommended amounts by contract for:
 - Maximum reimbursable amount (MRA)
 - Child days of enrollment
 - Pilot Reimbursement Rate (PRR)

Pilot Reimbursement Rates (PRR)

The pilot reimbursement rate can be different from the standard reimbursement rates for child care.

- ❖ No new funding
- ❖ PRR increases come out of reallocation of unearned MRA funds
- ❖ Recommended inclusion: PRR calculation can be redone over time
- ❖ PRR can be set two ways –
 - To maximize the possible rate OR
 - With volunteered funding only

Setting the PRR – Volunteered Funding

1. Ask all underearning contractors to redirect some or all of their underearning to the pilot



\$20,000

\$5,000

\$400,000

\$70,000...

= \$7,000,000 out
of \$70,000,000

= 182,130 cde out of
1,821,304 in contracts

Setting the PRR – Volunteered Funding

1. Allocate the redirected funding across the remaining cde

$$\frac{\$7,000,000}{1,821,304 - 182,130} = \frac{\$7,000,000}{1,639,174} = +\$4.27$$

$$\text{PRR} = \$38.29 + \$4.27 = \$42.56$$

Setting the PRR – Volunteered Funding

4. Revise all contracts to set
 - a. Child days of enrollment = previous cde minus any redirected
 - b. $MRA = \$42.56 \times cde$

Plus various adjustments for districts with different rates, accounting for different contract types, etc.

Setting the PRR – Maximizing Approach

1. Consider all resources available to cover slots



All contracted MRA in CSPP & CCTR contracts \$70,000,000

+



Parent fees

\$3,000,000

=

\$73,000,000

Setting the PRR – Maximizing Approach

2. Calculate how many child days of enrollment (cde) the funding needs to cover

Number of earned cde in base year

e.g. 1,650,000



Maybe round up a bit: 1,700,000

Setting the PRR – Maximizing Approach

3. Calculate the maximum PRR possible to fund that many cde with the available funds

$$\text{PRR} = \frac{\$73,000,000}{1,700,000} = \$42.94$$

Setting the PRR – Maximizing Approach

4. Revise all contracts to set
 - a. Child days of enrollment = previously earned *minus those earned with family fees*
 - b. $MRA = \$42.94 \times cde$

Plus various adjustments for districts with different rates, accounting for different contract types, etc.

Pilot Reimbursement Rates (PRR)

- ❖ Alameda County used the “volunteered funding” approach
- ❖ San Mateo, San Francisco, and Santa Clara used the “maximizing” approach
- ❖ How much the two approaches differ depends on
 - What share of unearned funds are volunteered
 - How much money is captured in family fees (used in the maximizing but not in the volunteered approach)
 - Willingness of contractors to overearn contracts in the presence of family fees