

# Brief History and Description of the San Mateo County Child Care Subsidy Pilot - AB 1326

In 2003, California [Assembly Bill 1326](#) (Simitian) was signed authorizing San Mateo County to develop and implement an individualized county child care subsidy plan.

The Child Care Partnership Council created the plan, which was subsequently approved by the San Mateo Board of Supervisors and the San Mateo County Superintendent of Schools in July 2004. The California Department of Education approved the plan for implementation on October 1, 2004.

Due to the success of the pilot in its first three years, as well as the efforts of the Council and its community partners, California [Senate Bill 1304](#) (Simitian), passed by the legislature in June 2008, extending the pilot for five additional years.

With the passing of California [Assembly Bill No. 260](#) (Gordon) on October 11, 2013, the pilot was again extended for another five years, through July 1, 2018.

Effective January 9, 2015, California [Assembly Bill No. 128](#) authorized the implementation of the individualized county child care subsidy plan indefinitely.

The project was conceived as a means to explore solutions to the problems that the state's "one-size-fits-all" child care subsidy system presents to high cost counties such as San Mateo. Without any additional funds, the pilot seeks to demonstrate the effects of limited local control and flexibility to meet the goals of family self-sufficiency and to stabilize a fragile child care infrastructure.

The San Mateo pilot was designed to address two fundamental concerns:

1. families barely earn enough to meet the high costs of housing in the county but are nevertheless considered too high income to qualify for child care subsidies; and
2. the state reimbursement rates paid to providers were so low that they could not cover their costs, and therefore were unable to utilize their full allocation of state and federal child care development funds. As a result, fewer children were subsidized through these contracts and child care spaces were lost to the county.