

DATE: March 5, 2024

TO: City Council

FROM: Parneet Dhindsa, Human Services Manager
Kimberly S. Thomas, Deputy City Manager

VIA: Kimbra McCarthy, City Manager

SUBJECT: **Mountain View Child-Care Center Update**

PURPOSE

This Council memorandum provides an update on the City of Mountain View Child-Care Center located at 260 Escuela Avenue, which was requested at the December 12, 2023 Council meeting with the adoption of a resolution in support of “Support of Child Care for All,” established by Build the Future Santa Clara County (Attachment 1).

BACKGROUND

Supporting Child Care in Mountain View

The City has had a long-standing commitment to providing affordable child care and actively engaging in addressing child-care needs in Mountain View for the past two decades. This effort began with the City participating in the Mountain View-Los Altos Child-Care Task Force and eventually resulted in the construction of the City’s Child-Care Center (“Center”), which opened in 2008. The City strives to contribute to meeting child-care needs in Mountain View through the Center, which is operated by a qualified child-care provider discussed further in the next section of this memorandum.

The City continues its focus to the present with a current Council goal to “Explore Strategies for Enhancing Child Care.” Staff has begun preliminary actions to implement this Priority C goal and begun to analyze strategies for enhancing child-care options. These include engagement with the County of Santa Clara on grant options, developing an updated analysis of the child-care landscape in Mountain View, and adopting a resolution in “Support of Child Care for All,” established by Build the Future Santa Clara County. In addition, as part of the City’s ongoing Legislative Platform, the City incorporated supporting child-care proposals.

Future milestones will include an anticipated contract extension for the Child-Care Center Operator and subsidy for low-income residents at the Center by the end of Q2 2024. This goal is anticipated to be completed by the end of Q2 2025.

Child-Care Center Operator Agreement

Since January 2014, with contract modifications in 2016 and 2018, the City has had an operator agreement in place with the current provider, Ability Path, for the operation of the Center (Attachment 2). Components of the operator agreement include:

- An annual operator base payment of \$201,084;
- An operational goal set by Council to have 30% of the Center's enrollment allotted for low-income families; and
- In 2018, Council approved a participant tuition subsidy to the Center operator for up to \$100,000 annually from the Child-Care Commitment Reserve balance for tuition subsidies.

These reports included a discussion about tuition subsidy—noting the challenges experienced over the long history of operations—in achieving the 30% low-income policy goal. It was noted that this goal may not be realistic even with subsidies because the enrollment ratios for low-income children have not been able to meet that goal since the Center started operations. This is attributed to the lack of funding sources for child-care tuition subsidies at all levels of government.

Tuition Subsidies

Overview

The operator agreement states the operator will use the Community Child-Care Council (4Cs) of Santa Clara County's low-income assistance qualification requirements as the first bracket of five income ranges to institute a sliding-scale tuition. The 4Cs low-income assistance qualification requirements are based on the most recently approved Schedule of Income Ceilings for Child-Care Development Programs (SICCCDP) prepared and approved by the California Department of Education—last updated July 1, 2019. Ability Path's tuition scale is described in Table 1 below.

Table 1: Community Child-Care Council Low-income Assistance Qualification Requirements

Family Monthly Fees/Tuition	\$300/Mo. (4Cs Level)	20% of tuition	40% of tuition	60% of tuition	80% of tuition
Family Size	Gross Monthly Income				
1-2	\$5,343	\$6,411	\$7,480	\$8,549	\$9,617
3	\$5,802	\$6,962	\$8,123	\$9,283	\$10,443
4	\$6,719	\$8,063	\$9,406	\$10,750	\$12,094
5	\$7,794	\$9,353	\$10,912	\$12,740	\$14,029
6	\$8,869	\$10,643	\$12,417	\$14,190	\$15,964
7	\$9,070	\$10,884	\$12,698	\$14,512	\$16,326
8	\$9,272	\$11,126	\$12,981	\$14,835	\$16,690

Subsidies Provided

In 2023, Ability Path had an annual average enrollment of 101 students. Over the year, Ability Path provided a total of 19 tuition subsidies (19%), improving the trends significantly on the previous year’s operations in which only a handful of students were subsidized. Of the 19 subsidies, nine were for an 80% subsidy on the monthly tuition, eight were for a 60% subsidy, and two were for a 20% subsidy. Chart 1 below shows the tuition subsidy data.

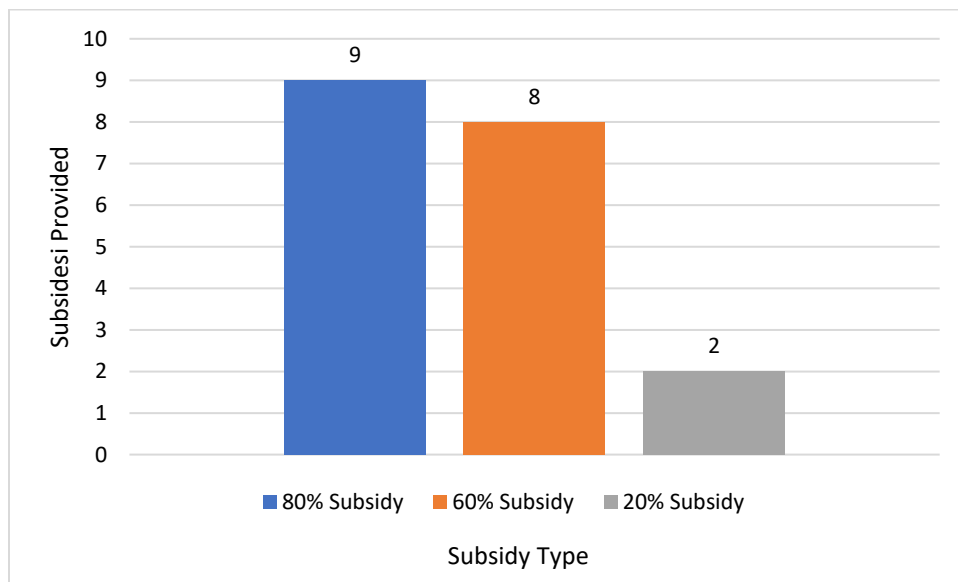


Chart 1: Tuition Subsidies Provided in 2023

Monthly Enrollment Reports

The operator provides the City a monthly enrollment report reflecting the number of children registered for the program by age group, number of open slots, number of families on the waitlist, number of slots filled by children receiving a low-income subsidy, and staffing changes and licensing visits. Chart 2 below shows the monthly number of openings and the number of families on the waitlist for 2023.

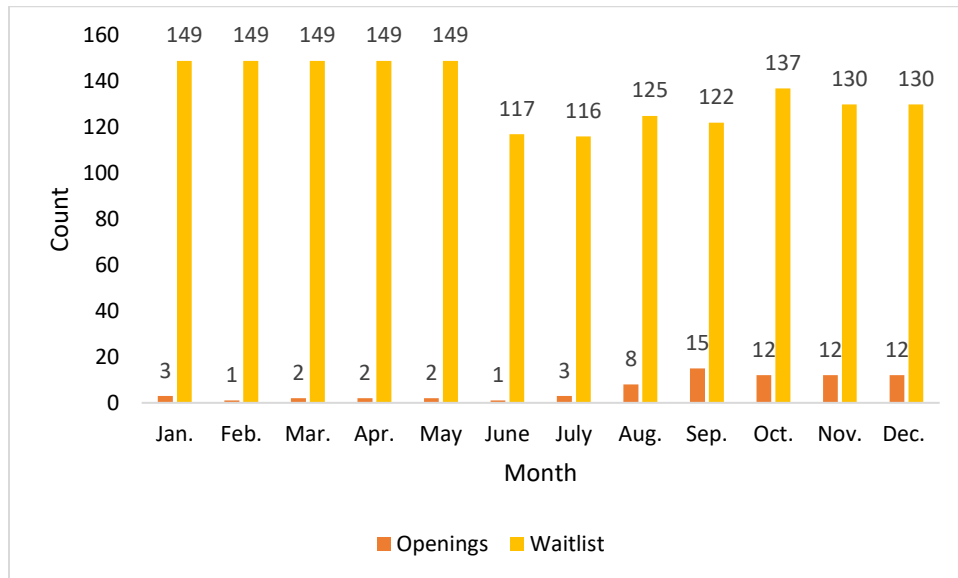


Chart 2: Openings vs. Waitlist (2023)

NEXT STEPS

The current operator agreement with Ability Path expires June 30, 2024 and has an option to renew for an additional five years. Ability Path has provided staff with formal notice of intent to renew the agreement for an additional five years. Staff will review Ability Path’s requests, including the consideration of ongoing low-income tuition subsidy, and bring an item to Council to seek approval of the contract amendment before the end of Fiscal Year 2023-24.

PD-KST/MS/1/MGR
626-02-09-24M

- Attachments:
1. [Resolution in “Support of Child Care for All” established by Build the Future Santa Clara County–Council Report Dated December 12, 2023](#)
 2. [Mountain View Child-Care Strategy–Council Report Dated November 27, 2018](#)