



RECOMMENDATIONS ON CHILD CARE

CALIFORNIA WORKING FAMILIES POLICY SUMMIT FEBRUARY 25, 2010

INTRODUCTION

California continues to face huge budget deficits and resistance to exploring new revenue options, which require a two-thirds vote. Social service programs have already faced substantial cuts at a time when unemployment and the demand for those services grow. California increasingly looks to the federal government to fill state budget gaps. President Obama's 2010 budget proposal includes \$1.6 billion expansion for child care and \$989 million expansion for Head Start and Early Head Start programs. This would be the largest increase in funding for the Child Care & Development Block Grant in 20 years. These proposals would maintain the one-time-only child care and Head Start funds that were included in last year's economic stimulus package and would provide for additional expansion.

Guaranteeing safe, secure and quality experiences for young children is important to the development of confident, productive and self-sufficient adults. As the earliest entry point into the education system, child care is a link in preparing children for school success and is the key to increasing positive life outcomes for our lowest-income children. Child care is a critical service for parents who seek to gain skills to achieve and maintain employment.

California once led the country in our delivery of quality child care services. We need courageous actions to place California at the top once again. To meet the complex needs of California's children and families, a child care system must be rebuilt that provides high-quality, affordable choices to all families; supports a well-educated and compensated work force; measures and supports quality improvement; and focuses on reaching and including underserved children, families and communities.

POLICY OBJECTIVE #1

Promote family economic security through accessible and affordable child care and related services.

Background

The availability of accessible and affordable child care options allows parents to achieve and maintain employment and self-sufficiency. According to the California Child Care Resource and Referral Network's *2009 Child Care Portfolio*, licensed child care is available for only 27% of children living with working parents.¹ In addition, between 2006 and 2008 half of the counties in California experienced a decrease in their licensed family child care home supply, contributing to the challenges parents face accessing child care services. While access continues to be an issue for many working families, the high cost of child care is also a barrier. The National Association of Child Care Resource & Referral Agencies (NACCRRA) ranked California among the top 10 *least* affordable states in the country for infant/toddler and preschool care in licensed, center-based care in 2008.² The average

annual cost for infant care in a licensed center-based program was \$11,580 and \$8,234 for a preschool age child. Currently, very few subsidized programs have sufficient funding to enroll low-income working families that are eligible for child care subsidies. A recent report showed that nearly 200,000 children are on waiting lists to receive child care assistance but are unlikely to receive services with looming budget cuts.³ Child care costs on average are second only to a family's housing costs. As California increases efforts to move away from the current recession, maintaining and expanding the availability of child care subsidies to support working families and increase workforce participation is essential.

Recommended Actions

- A. Advocate aggressively and immediately for approval of President Obama's 2010 \$1.6 billion budget proposal to expand the Child Care & Development Block Grant that will help address the unmet need of nearly 200,000 fully eligible children in California who are waiting to receive subsidized child care services. Also advocate for the \$989 million expansion for Head Start and Early Head Start programs.
- B. Advocate for President Obama's one-year extension of the Temporary Assistance for Needy Families (TANF) and the reauthorization of the Child and Adult Care Food Program.
- C. Oppose the \$123 million reduction to Stage 3 child care proposed in the Governor's budget. The proposal would impact approximately 23,000 children and former welfare recipients who still require child care assistance in order to reach economic security.
- D. Ensure that family fees remain fair and reasonable, never exceeding 8%-10% of family income.

POLICY OBJECTIVE #2

Protect the health and safety of children through a fully funded child care licensing system that includes annual inspections.

Background

Child care licensing is the foundation of health and safety for children in child care settings. It ensures that every licensed provider has a criminal background check and that they do not have a non-disqualifying/substantiated child abuse report. Every licensed provider receives an initial inspection and random unannounced visits every 3 – 5 years to guarantee their compliance with licensing regulations. As a result of budget cuts in 2002, random, unannounced inspections were reduced to 10% of all licensees and gradually increased to 30% in 2007. California statute requires that every provider receive a visit at least once every five years. With these licensing requirements in place, NACCRRA ranks California 48th in child care center oversight and regulation. Despite this already abysmal rating, support for community care licensing has further deteriorated in recent years. While further cuts were not made in the last budget cycle, forced furloughs, unallocated cuts and the inability to fill staffing vacancies make it increasingly impossible for community care licensing to meet their statutory requirements. The Child Care Ombudsman program which initially consisted of 13 staff to provide technical assistance and support to child care providers both in the start-up and implementation of their programs is down to only two staff positions.

Recommended Actions

- A. Immediately request that the California Department of Social Services compile and release information on the impact of forced furloughs, unallocated department-wide cuts and the hiring freeze on the ability of Community Care Licensing to meet their statutory requirement to make

- 30% random/unannounced visits to licensed programs and to fulfill the requirement that all licensed programs receive a visit at least once in a 5-year time period.
- B. Seek increased funding in the 2010-2011 State budget to provide annual inspections of all licensed child care centers and family child care homes.
 - C. Restore the Child Care Ombudsman program at the pre-2002 level of 13 statewide Ombudsmen to provide support and technical assistance to California's 56,800 child care providers.
 - D. Advocate for an increase in the federal investment in licensing and the development of nationwide standards to ensure the health and safety of all children.

POLICY OBJECTIVE #3

Support the planning and implementation of a coordinated statewide system to improve the quality of child care services and increase participation in child care and early education programs.

Background

Throughout the country, early childhood advocates are working to ensure and improve the quality of child care and preschool opportunities available to all children and families. In California, SB 1629 (Steinberg) was signed into law (September 2008) appointing a 13-member California Early Learning Quality Improvement System Committee (CAELQIS) to develop a plan to improve outcomes for children and promote school readiness by improving the quality of early learning and child care programs for children from birth to five year olds. The legislation outlines four tasks, including an assessment and analysis of the existing early care and education infrastructure, development of an early learning quality rating scale, development of a funding model, and recommendations on utilization of a variety of funding sources.

In response to federal legislation related to Head Start, Governor Schwarzenegger issued an executive order on November 9, 2009 creating California's Early Learning Advisory Council (ELAC), naming the 13-member CAELQIS Committee to the council and adding five appointees by the Governor. The federal legislation creating the councils outlines specific activities for the ELAC that go beyond the current scope of the CAELQIS. Significant in the additional activities is the requirement of a statewide needs assessment on the availability of early childhood education services and programs from birth to school entry, and recommendations for increasing participation in child care and early education.

We must ensure that goals of the CAELQIS and ELAC are met and that all families have access to quality child care options. Because child care licensing is the foundation of any child care delivery system, we must first guarantee that funding for child care licensing is secure. In addition, child care programs and providers must receive appropriate reimbursement for their services and have access to affordable training opportunities and technical assistance. Finally, parents must have information to inform their child care decisions and access to programs that are culturally and linguistically appropriate.

Recommended Actions

- A. Ensure that the final recommendations of the CAELQIS require a strong infrastructure for the delivery of child care services including licensing, child care resource and referral services, and appropriate reimbursement for direct services offered through state subsidized center-based

programs and child care subsidy vouchers and that funding for these services is included in the 2010-11 state budget.

- B. Ensure that the final recommendations of the CAELQIS require that child care center staff, family child care providers and license-exempt child care providers have accessible and affordable options for technical assistance and training that is culturally and linguistically appropriate available through a variety of venues and that funding for these supports are included in the 2010-11 state budget.
- C. Through the 2010-11 state budget, ensure that child care center staff, family child care providers and license-exempt child care providers are appropriately compensated by increasing the Standard Reimbursement Rate (SRR) for state contracted child care centers and maintaining the current Regional Market Rate (RMR) reimbursements for license and license-exempt providers at the 85th percentile of the 2009 regional market rate survey.
- D. Ensure the final recommendations of the California Early Learning Quality Improvement System (CAEL QIS) include the integration of existing services in the development and implementation of any child care quality improvement system.
- E. Ensure that the new Early Learning Advisory Council establishes a subcommittee to address the enormity of California's unmet child care needs.

POLICY OBJECTIVE #4

Promote family economic security through income supports for working families.

Background

Beyond direct support for child care, we must also advocate for other income supports that address the needs of working families. In July of 2004, California became the first state to provide comprehensive Paid Family Leave; still many families fail to access this benefit. The Earned Income Tax Credit, which provides refunded tax credits to low-income wage earners is underutilized; every year millions of dollars go unclaimed and families lose out on thousands of dollars. Estimates suggest that between 15 and 20 percent of eligible families do not claim these tax credits. When families lose access to these additional funds, communities lose dollars back into their economy. Finally, working families need paid sick days in order to take care of themselves or their children without fear of losing wages.

Recommended Actions

- A. Promote California's innovative Paid Family Leave Program by rejecting the Governor's proposal to raid the State Disability Insurance fund by \$500 million, which could undermine the Paid Family Leave program.
- B. Promote expanded utilization of the Earned Income Tax Credit and support the President's budget proposal to increase the Federal Child and Dependent Care Tax Credit.
- C. Support future legislative efforts to provide Paid Sick Days for working families.

For more information, contact:

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¹ California Child Care Resource & Referral Network (2009). *2009 Child Care Portfolio* at www.rrnetwork.org

² National Association of Child Care Resource & Referral Agencies, Parents and the High Price of Child Care; 2009 Update at www.naccrra.org

³ California Dept. of Education, 2009 Centralized Eligibility List Status Report (April 1 to June 30, 2009)