



## Recommendations on Child Care California Working Families Policy Summit

January 12, 2011

### INTRODUCTION

We are at a critical impasse in regards to funding for our state's safety net and core public services. California continues to face huge budget deficits and legislative and public 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 have grown. Proposals to realign services from the state to the local level may include child care which will need careful thought before implementing any changes. And though California may look to the federal government to fill state budget gaps, there is no guarantee that Congress will respond.

At the same time, providing safe, secure and quality experiences for young children is important to the development of confident, productive and self-sufficient adults, and 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, and 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 structured 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. 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.

### POLICY OBJECTIVE #1

**Advocate to preserve all existing child care resources and restoring funding for CalWORKs Stage 3 child care to promote family economic security and employment.**

### *Background*

Access to payment assistance for child care is a key component of economic stability and employment for low-income working families. The National Association of Child Care Resource & Referral Agencies (NACCRRRA) 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. The average annual cost for infant care in a licensed center-based program was \$11,580. It cost \$8,234 for a preschool-age child.

State cuts in child care subsidies, including the elimination of funds for CalWORKs Stage 3, reduces the availability of these vital 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. For young families, child care costs on average are second only to a family's housing costs. As California increases efforts to create jobs lost in the current recession, maintaining and expanding child

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care subsidies to support working families and increase workforce participation is a critical component to our state's economic recovery.

***Recommended Actions***

- A. Governor Brown and the Legislature should restore full funding for the CalWORKs Stage 3 child care program which serves 60,000 working families in California.
- B. The Governor and Legislature should maintain all existing subsidized child care services for low-income working families in California.

**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 three to five years to guarantee their compliance with licensing regulations.

California continues to rank at the bottom of states nationally in our oversight and requirements for licensed child care centers. NACCRRRA ranks California 48th in child care center oversight and regulation. Despite this already abysmal rating, support funding for community care licensing has further deteriorated in recent years. During the last budget cycle, additional unallocated cuts and the delayed state budget caused the California Department of Social Services (CDSS) Community Care Licensing division to cease processing of applications, orientations for new licensees and random visits, focusing their efforts only on complaint follow up and required five-year visits.

One area for optimism was introduced by the California Department of Social Services in April 2010. Department officials proposed using scarce dollars in a more targeted fashion by assessing licensed facilities on key indicators. Key indicator visits would be conducted annually for child care centers, which typically serve the greatest number of children, while licensed family child care homes, which can serve a maximum of 14 children, would be reviewed every two years. In child care programs, this shift would allow CCL with their existing resources to focus attention during visits on specific licensing issues which would allow child care centers annually and licensed family child care homes every two years. The proposal did not move forward last year due to the late introduction, but continues to hold promise as an opportunity to bring more frequent oversight to licensed child care programs in California.

***Recommended Actions***

- A. The Governor and Legislature should support legislation to implement key indicator visits to ensure more regular health and safety inspections of licensed child care facilities.
- B. Incorporate a review of the effectiveness of the use of the new key indicator protocol for visits and modify the process as necessary.

**POLICY OBJECTIVE #3**

**Support the planning and implementation of a coordinated statewide child care system which meets the needs of all working Families in California.**

***Background:***

As in all industries, the *business* of child care has suffered during the economic recession. The supply of child care businesses has decreased, and fewer choices exist for parents who work and rely on care for their children.

The decreased child care supply is apparent when you look at statewide statistics, As California moves toward economic recovery, a concerted effort will be needed to bring new providers into business and plan for the services that will be needed to support California's working parents during better fiscal times.

Any potential proposals to realign child care from the state to the local level will need careful review and discussion to ensure no adverse impacts to children and families or unintended consequences.

***Recommended Actions:***

- A. The Legislature should appoint a select committee to look at the overarching impacts of poverty on the success of children in school and into adulthood in California
- B. Ensure the Legislature include a wide range of child care stakeholders, including parents and child care providers actively participate, in any deliberations around child care realignment or restructuring proposals.