



CHILD CARE LAW CENTER

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RECOMMENDATIONS ON CHILD CARE

CALIFORNIA WORKING FAMILIES POLICY SUMMIT JANUARY 13, 2009

INTRODUCTION

Our state and nation are at a crossroads. On one hand, many working families face economic and personal challenges. We are already seeing a significant rise in unemployment, poverty and extreme poverty. There are serious concerns about the condition of our safety net for the state's most vulnerable families.

On the other hand, the presidential election electrified the country and we saw a tremendous outpouring of participation in our political process—130 million Americans voted. Not since the 1960s have this many voters gone to the polls. Exit polls conducted during the election revealed that a record number of Americans, over 51%, now believe that the “government should do more to solve problems.” Government has a new mandate.

This new mandate at the federal level comes at a time when our state is facing a budget and financial crisis. In the spirit of improving government's ability to solve problems, we join every Californian who cares about children and working families to work toward reform of California's budget process. This means removing the voting requirement for a two-thirds majority in both houses of the Legislature to pass the state budget or raise taxes. This requirement has made compromise and negotiation difficult as a small number of legislators can hold the majority hostage.

Meanwhile, California's unemployment rate reached 8.4% in November 2008—its highest level in 14 years. The state's unemployment rate is now 2 percentage points higher than that of the rest of the U.S. and the third highest in the nation.¹ More than 40% of California's children live in low-income families,² and 18% of California's children live in poor families (1,712,807 children) with income below 100% of the federal poverty level,³ which is \$17,600 for a family of three. The number of families applying for CalWORKs cash assistance increased by 22.4% between September 2007 and September 2008—four times the increase in applications during the prior 12-month period (5.5%).⁴

The only way to break the cycle of poverty is to support parents so they can attain self-sufficiency and educate the next generation for the jobs of the future. Study after study shows that early care has a tremendous impact on educational and job outcomes. Today's two and three-year-olds can't wait. If our children cannot access quality early education now, they will never be able to recoup the lost opportunity.

California can again be a state of innovation and opportunity. We owe our children and grandchildren the creation of an equitable future. Education and equality mean that regardless of the circumstances from which you start, you can develop to your full potential. Families are key to raising children, but—beginning when a child is born—government and communities must also provide support, including access to quality child care and education.

POLICY OBJECTIVE #1

Child care investment is a key element of economic recovery and the means to ensure equity and opportunity for every child. The state should invest in access to high quality child care with a focus on low-income children birth to five.

Background

Early care and education (ECE) is a critical area for societal investment to ensure equity and opportunity for all children, to support low-income families, and to fight poverty. Access to subsidized ECE makes it possible for low-income parents to work and participate in education and training, while simultaneously contributing to children's well-being, development, and school readiness. As we face this severe recession, it is vital that comprehensive supports for our lowest-income families, including ECE, are seen as essential components of economic recovery. Investment in ECE is an effective long-term strategy to decrease poverty and income inequality, while ensuring that all children have the opportunity to develop to their full potential.

Recommended Actions

- A.** The Budget passed by the Legislature and signed by the Governor should:
- Maintain California's commitment to provide child care to all families currently or formerly connected to CalWORKs who continue to meet income and other eligibility requirements.
 - Use realistic estimates of growing participation in CalWORKs to ensure appropriate budget allocations.
 - Keep family fees affordable because they can act as an insurmountable barrier to accessing child care for many families. We must ensure that our lowest-income families, those below 40% of State Median Income (SMI), equivalent to \$28, 284 for a family of four, are not required to pay family fees.
- B.** Economic recovery packages passed by the Legislature and signed by the Governor should include strategic investments in child care:
- Augment Community Care Licensing so it has sufficient staff to respond to centers and family child care homes that require changes to their license as a result of foreclosure or other effects of the economic downturn.
 - Augment Community Care Licensing so it has sufficient staff to respond to requests from developers and center operators seeking to expand or construct new facilities.
 - Incrementally expand child care subsidies for low-income families not connected to CalWORKs. There are currently over 200,000 children eligible for non-CalWORKs subsidies who do not receive a subsidy because the program is underfunded. Without adequate child care funding, fewer parents are able to work and there are fewer jobs in the child care field.
- C.** The Superintendent of Public Instruction should immediately extend until at least the end of the budget year the time period that families can retain eligibility for *all* subsidized child care while seeking employment.

POLICY OBJECTIVE #2

State policy and investment should ensure children's health and safety and preserve our high quality programs, particularly for low-income children.

Background

A solid, consistent and frequent monitoring program is essential to the safety of our children and the cornerstone to efforts to improve program quality. California's licensing agency regulates the health and safety of child care in the state and is already severely underfunded. The frequency of visits to child care providers is once every five years, one of the worst in the nation. Moreover, the advocate program which supports providers to comply with requirements has been cut from 13 to 2 advocates for the entire state. In addition, the state is participating in quality initiatives, including the Child Care Development Block Grant (CCDBG) state plan process and the Early Learning Quality Improvement System Advisory Committee, while simultaneously threatening the continued existence of our highest quality programs with drastic budget cuts. Child care teachers and providers are already underpaid, and many may not remain in the profession if we do not raise compensation.

Recommended Actions

- A. The Budget passed by the Legislature and signed by the Governor should:
- Maintain, and incrementally expand current funding for Community Care Licensing and the advocate program.
 - Maintain adequate reimbursement rates for child care providers.
 - Preserve CARES and AB 212, which reward training and promote retention in the early care and education field.

POLICY OBJECTIVE #3

The California Legislature, Governor and advocates should advocate for federal policies and investment to maintain access to high quality child care and other supports for our lowest-income families and children.

Background

In the coming months, we will see unprecedented federal investment in economic recovery. President-elect Obama has clearly stated his commitment to invest in a substantial early care and education initiative and to include early care and education in economic recovery packages. The Transition Team is currently consulting with state and community leaders to develop its proposals. It is critical that California, the most populous state, develop clear policy recommendations to ensure that the needs of our low-income children and families are met.

Recommended Actions

- A. The Legislature, in consultation with advocates, should pass a Special Resolution to communicate to our Congressional Delegation and President-elect Obama California's immediate priorities for the state's lowest-income families in the Federal 2009 Budget and Economic Recovery packages. The following points should be included:

- Augment child care funding as part of economic recovery. This will enable more parents to work, and can help raise the reimbursement rates to save vulnerable contracted centers.
- Modify and replenish the Temporary Assistance for Needy Families (TANF) contingency fund to help states manage rising TANF caseloads without requiring unrealistic matches.
- Increase funding for Head Start and Early Head Start by \$4.3 billion in 2009.
- Provide flexible funds that states can spend to retain the safety net for low-income families, ensure vital services, and stimulate their economies.
- Immediately fund the federal share of the Individuals with Disabilities Education Act (IDEA) at 40% to support local school districts and meet the needs of children with disabilities.

B. The Legislature, in consultation with advocates, should develop a long-term federal agenda as a guide to participation in the 2010 reauthorization of TANF and the Child Care and Development Block Grant (CCDBG). We recommend inclusion of the following points:

- Create a guarantee for child care for all families at or below 200% of poverty and include substantial new funds to help states improve the quality of child care and to remove barriers to access for underserved families. Couple this with refundable child care tax credits for families above the subsidy eligibility guidelines.
- The CCDBG state plan process should require in every state 1) a review of unmet child care needs, 2) an in-state assessment of the adequacy of federal funding provided through the CCDBG and TANF, and 3) development of proposals to meet need and improve quality with a focus on the lowest-income children.
- The federal rules governing use of CCDBG funds should be revised to ensure states are directing child care benefits to the families in greatest need.
- States must be required to provide genuine due process to subsidy applicants and recipients so parents can challenge questionable, unfair or illegal actions taken by state subsidy agencies and the contractors that administer child care benefits.
- Reauthorization should be used to improve TANF and other safety net programs so that all families have necessary work supports and TANF focuses on poverty reduction and positive outcomes for families.

¹ California Budget Project, [Time of Growing Need](#), December 2008 at www.cbp.org.

² National Center on Children in Poverty, [State Profiles](#) www.nccp.org.

³ California Budget Project, [LABOR DAY 2008: LITTLE TO CELEBRATE](#) at www.cbp.org.

⁴ California Budget Project, [Time of Growing Need](#), December 2008 at www.cbp.org.