



# CHILD CARE LAW CENTER

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## CHILD CARE LAW CENTER'S FEDERAL PRIORITIES JULY 28, 2009

The California budget deficit and deep recession are seriously impacting California families and children, and pushing increasing numbers into deep poverty. One of the only sources of relief is The American Recovery and Reinvestment Act (ARRA) which provided \$220,273,864 in California to support child care services for children in low-income families. ARRA recognized that early care and education (ECE) contributes to children's well-being, development, and school readiness while making it possible for parents to work and participate in education and training.

### California Facts

**California's poverty:** Nearly half of California's children live in low-income families, defined as families with income below 200% of the federal poverty level, and 18% live below the poverty level. <sup>i</sup>Applications for CalWORKs cash assistance increased from about 38,000 applications in April 2007 to about 48,000 in April 2009, a 27.5% increase. <sup>ii</sup> In addition, more than 800,000 California children lacked medical insurance prior to the budget cuts last week. <sup>iii</sup>

**California's economy:** California's unemployment rate is now at 11.5%. <sup>iv</sup>

**California's budget deficit:** California faced an estimated \$26.3 billion state budget deficit. The majority of the Legislature supported balanced proposals, however, the Governor and Republican minority refused to compromise. Since California requires a 2/3 vote to pass the budget and revenue increases, the minority was able to reject closing tax loopholes or targeted taxes resulting in deeper cuts. While many ECE cuts, and elimination of the state welfare program and Healthy Families were averted, the current budget slashed education, CalWORKs, Healthy Families, and other health and safety net programs. We are not yet certain of all the implications of the cuts and the extent to which they will impact our ability to receive federal funds.

**California's subsidized child care program:** In 2008-09 maximum enrollment was 371,618 children in ECE programs administered by the California Department of Education and 66,645 children in programs administered by the Department of Social Services. <sup>v</sup> In addition, Head Start currently serves 104,883 preschoolers and 7,652 infants and toddlers. These figures will increase with new federal funds. Despite this significant investment, the child care system is under-funded and prior to current budget cuts had a waiting list of approximately 200,000 eligible children.

**California's achievement gap:** The National Center for Educational Statistics report revealed that California's gap between black and white eighth-graders is 29 points, three points above the national figure. The recently released RAND study of California's preschool programs confirmed that, "Socioeconomically disadvantaged children enter school with lower levels of readiness than their more advantaged peers," and concluded that, "if the goal is to narrow the score gap between Latinos and whites or African Americans and whites, the largest *relative* gain in student achievement is associated with targeted increases in preschool participation and quality for socioeconomically disadvantaged children, a larger proportion of whom are Latino or African American. With this targeted policy approach, the estimates suggest that the racial-ethnic achievement-score gap could be narrowed by about 10 to 20 percent, depending on assumptions." <sup>vi</sup>

**CCLC's Recommendations for Federal Action:**

**1. Provide additional financial support to states.**

Provide funds that states can use to retain the safety net for low-income families, ensure vital services, and stimulate their economies. States should have to meet strict conditions to receive these funds. California should be required to have a workable budget in place, make progress to reform its budget process, and to it meet all MOE requirements for essential safety net programs to draw down current funds prior to receipt of new funds.

**2. Make the ARRA fund increases to Head Start and the Child Care & Development Fund (CCDF) permanent and provide an additional augmentation of \$ 1 Billion to both programs in 2010.**

**3. Promote systems change and access to high-quality programs for disadvantaged children through passage of the Early Learning Challenge Fund included in H.R. 3221.**

We strongly support Congressman Miller's bill implementing the President's Agenda. We are very supportive of the focus on the most disadvantaged children aged birth-to-five. We also support the recognition of the special challenges of English Language Learners and children with disabilities. We can only meet the needs of these children if we build the necessary systems to improve quality in programs that can nurture children while engaging their families and meeting their needs.

**4. Remove federal barriers to families' receipt of child care subsidies.**

The Improper Payments Information Act (IPIA) and 2007 CCDF regulations on Error Rate Reporting require states to develop child care program policies that emphasize documentation as a means to avoid improper payments. The intensive documentation requirements adopted by many states create barriers for families attempting to obtain subsidized child care and entail significant additional administrative costs, without demonstrating that they accomplish their intended purpose.

**5. Revisit the Temporary Assistance for Needy Families (TANF) program**

While the approach taken through the TANF Emergency Contingency Fund was a great step forward, we need to make dramatic changes to TANF as reauthorized by the 2007 Federal Deficit Reduction Act (DRA). The DRA included a five year design for federal welfare and child care policies, with a focus on cutting services rather than providing opportunities for children. Federal requirements were cited as a justification for the deep and punitive cuts to the California program CalWORKs in the July budget cuts.

**6. Increase IDEA investment in Part C early intervention services and Part B services and supports for preschool age children.**

**7. Support increased Title 1 funding directed to preschool for low-income children.**

**8. Provide greater access to nutritious meals for children through the Child and Adult Food Programs**

The programs should be expanded and made less burdensome so additional family child care homes and centers can participate.

**9. Expand and Improve the Child and Dependent Care Tax Credit**

The credit should be refundable and expanded to include more low and moderate income families and provide these families with additional assistance.

**10. Ensure Governors solicit input from state legislators and other state stakeholders in designing federal initiatives.**

To ensure broad participation, encourage Governors to involve legislators and other stakeholders when establishing the Early Learning Advisory Councils (ELAC) and preparing their ELCG applications.

**11. Engage in a comprehensive process involving state stakeholders prior to reauthorization of the Child Care and Development Block Grant (CCDBG) in 2010.**

- a. It is essential for the federal government to significantly increase its investment in CCDBG, and to require similar increases in state ECE investment to incrementally move towards providing access to all eligible children.
- b. 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.
- c. CCDBG rules should require states to use the State Plan or an alternate process to effectively review their programs, alter structures and revise policies to remove barriers for eligible families.
- d. The CCDBG State Plans or an alternate process should serve as a vehicle for state and federal review to ensure that states are serving children of families with very low incomes and meeting the child care needs of children facing challenges, particularly children with disabilities, those experiencing domestic violence, children whose first language is not English, children in rural areas and other geographically isolated children, as well as infants and toddlers. ECE investments should support low-income families with programs designed to provide full-day, full-year options.
- e. States should be required to provide genuine appeal and hearing rights 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.
- f. Substantial new quality funds with licensing as the foundation of quality and strategic set-asides should be provided to help states improve the quality of child care. A coalition of organizations across the country has developed an agenda.<sup>vii</sup>

**12. Develop long term goals to ensure all low-income children have access to high quality Early Care and Education programs.**

- a. Commit to cutting poverty in our nation by 50% within ten years.
- b. 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 while removing access barriers for underserved families.

*For more information, contact Nancy Strohl, Executive Director of Child Care Law Center at [nstrohl@childcarelaw.org](mailto:nstrohl@childcarelaw.org) or 415-394-7144 ext.302.*

<sup>i</sup> National Center on Children in Poverty, [State Profiles www.nccp.org](http://www.nccp.org).

<sup>ii</sup> California Budget Project, "CalWORKs: The Rest of the Story," by Scott Graves, June 24, 2009.

<sup>iii</sup> California Health Interview Survey, UCLA Center for Health Policy Research, [chis.ucla.edu](http://chis.ucla.edu)

<sup>iv</sup> State of California Employment Development Department, News Release, June 19, 2009.

<sup>v</sup> Spreadsheet prepared by California Department of Finance, June 2009 on file at CCLC.

<sup>vi</sup> Karoly, Lynn A., *Preschool Adequacy and Efficiency in California: Issues, Policy Options, and Recommendations*; Santa Monica, California: Rand Corporation, 2009, Executive Summary, pp xvii-xix.

<sup>vii</sup> See *Developing America's Potential: An Agenda for Affordable, High-Quality Child Care* at [www.nwlc.org](http://www.nwlc.org).