
CHILD CARE WORK GROUP REPORT

DECEMBER 4, 2003

The Children's Roundtable Child Care Subcommittee, the California Resource and Referral Network, the Child Care Law Center and The California Child Development Corps co-sponsored a meeting December 4, 2003 designed to prepare responses for 2004 budget and policy proposals. The following report is based on the conclusions of that meeting. The Report was prepared by the Child Care Law Center in consultation with our co-sponsors.

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INTRODUCTION

California has historically been a leader in child care. Help in meeting child care costs for low-income working families in California dates back to 1943, when publicly funded child care centers were opened for women working in the war effort. The system has grown and evolved, however, with insufficient overall direction or planning. Nonetheless, there are networks of high quality centers and family child care homes, and each part of the system exists to meet a distinct need. Recent budget proposals have looked at discrete pieces of the system in isolation. Simply doing away with pieces here and there, without determining alternative means of meeting the needs they address, would not serve families' interests.

In September 2002, the Children's Roundtable Child Care Committee, co-chaired by CCLC and the California Child Care Resource and Referral Network, initiated a planning process that would proceed through four focused workgroups. Both organizations felt that, particularly under the dire budgetary circumstances the state faced, it was critical to gather the widest possible input from those most affected by the system but whose voices often go unheard in Sacramento. We wanted to encourage participants to discuss their vision of the system California's children need and deserve and to consider potential funding cuts in this context. We also foresaw a need to head off moves to pit two groups of low-income working families against each other: those who have recently received welfare benefits and those who have not. Previous experience left little doubt that some in the political realm would seek to take advantage of their vulnerability.

The workgroup process brought together people who seldom have the opportunity to convene to discuss issues of child care policy. Participants included staff from local resource and referral agencies, parents, child care providers, advocates, staff from the alternative payment programs that administer subsidies, labor, and other professionals. Legislative and agency staff attended as well and were able to hear honest discussions

among people who feel the impact every day of policies discussed in legislative hearings in Sacramento.

The first workgroup meetings occurred in November of 2002 with over 300 people participating, either by attending a meeting or participating in a listserv. In discussion, participants sought to balance openness about what aspects of the system were most important to maintain with honesty about what, given the inevitability of budget cuts, would be least harmful to lose. The discussions were tremendously enlightening and informed the proposals that advocates and legislative staff developed.

With last fall's recall, further revenue cuts by the new Governor, and the continuing fiscal crisis, a single workgroup comprising all former participants met on December 4. Over 90 parents, child care providers, and other advocates from throughout the state participated. Three of the 2002 workgroups – Access, Affordability, and Eligibility; Provider Payment and Rate Structure; and Staff Compensation, Retention, and Professional Development -- continued their discussions. A fourth group came together to discuss Licensing and Regulation, a topic of new importance in light of current and proposed cuts.

The following five sections represent the initial consensus reached through these discussions, building on the process that had been underway since 2002. It is critical that the discussions continue. However, we have prepared this document for the Women's Caucus and other Legislators who support child care as we prepare to respond to the Governor's January Budget proposals.

PRINCIPLES AND LONG TERM VISION

California child care policy should:

Support strong families

- We cannot address child care in a vacuum; rather, we must see it as part of a set of policies to foster strong families. To flourish and be ready for school, children need caring adults, adequate family income, good nutrition, health care, safe and nurturing environments, and developmentally appropriate learning opportunities. To be effective, our policies must be comprehensive and must focus on the entire array of families' and children's needs. We must not delude ourselves into thinking that increased child care funding at the expense of funding for CalWORKS or other social services programs will benefit families.

Ensure that children learn while parents earn

- Child care is not only a means of enabling low-income parents to work or participate in education, job training or other programs; it also must enable children to flourish, to be ready for school, and to become productive citizens. Research shows that child care centers in low-income California communities offer high-quality care, as does our network of family child care programs. We should support policies that maintain an integrated system supporting both goals and continue to increase access to high quality programs.

Provide adequate resources for early care and education

- Over 280,000 families who are eligible for subsidies are on waiting lists; at the same time, our child care work force is sorely underpaid. We need additional resources for facilities and infrastructure and to improve quality. New initiatives should not rob current programs whose effectiveness is proven; rather we need to add resources.

Make quality early care and education, with real parent choice, available regardless of family income

- Lack of financial resources should not deprive any family of access to high quality linguistically, culturally and developmentally appropriate early care and education for their children. The state should fully fund subsidies for all eligible families with no arbitrary time limits; fees should be reasonable and eligibility standards realistic. Parent choice is an essential element that is real only when parents have access to a variety of affordable high quality options.

- Access to child care is key to achievement and maintenance of self-sufficiency for all working families. For families connected to the welfare system, California must maintain its commitment to welfare reform policies that offer child care subsidies and other supportive services, making it possible for parents to work and become self-sufficient.

Give all children access to high quality programs

- Systemic inequities affect hundreds of thousands of children who face special barriers due to poverty, disability, language, geography, or other factors.
 - Ensure that children with disabilities have equal access to early care and education programs that make reasonable accommodations to serve those children, as required by federal and state law.
 - Increase families' options in choosing high quality early care and education for infants and toddlers. A single system should integrate preschool initiatives with capacity building for infant and toddler programs.
 - Increase families' opportunities to obtain high quality out-of-school care by ensuring that such programs are widely available.
 - Ensure access to linguistically and culturally appropriate care by, e.g., making training and support for child care providers available in languages and cultural contexts that reflect California's many communities.

Value, educate, and adequately compensate the child care workforce

- Research shows that the single most important determinant of quality early care and education is the presence of consistent, sensitive, well-trained, and well-compensated caregivers.
- We should support programs, such as CARES, that reward the pursuit of child development training on the part of new early care and education professionals and promote retention of committed, qualified teachers; expand training and educational opportunities in the languages California residents speak; and give community and state colleges and universities sufficient resources to enable them to offer accessible training and degree programs. Compensation and training should be an integral part of financing policy discussions, and the state should commit to seeking additional resources.

Maintain and further develop a comprehensive early care and education system

- We must be conscious that further fragmentation of the child care and early education system could result from short-term budget based policy initiatives such as realignment or dilution of state standards overseen by the Department of Education. We should strengthen all aspects of the system and oppose proposals that would bifurcate it into two systems: one that is primarily a work support and one that is primarily educational. We should ensure that preschool initiatives are integrated and that the early care and education and K-12 systems are coordinated to meet children's needs and ensure they are ready for school and schools are ready for them. The statewide system should recognize regional differences and the different needs of rural and urban areas. We must provide funding and support to assure the quality and accountability of child care providers and other contractors.
- Child care is a high-growth, low-risk government investment. The licensed child care industry in California, including both center-based and family child care programs, generates some \$5 billion in gross receipts. It employs over 123,000 people, creating and sustaining three times more jobs than the advertising industry, more than twice as many as the lumber industry, and thousands more than the accounting and legal services industries.

Ensure access to high quality early care and education for all children

- As the subsidized system expands, the Legislature and stakeholders should review the elements of high quality child care to determine its real cost. The review should include system infrastructure, training, adequate reimbursement rates, and wages and should include care for infants and toddlers as well as preschool children.
- Both the Standard Reimbursement Rate and the Regional Market Rate should be examined to determine whether they are adequate to ensure the maintenance of high quality programs.

Develop a comprehensive planning process linked to proposed preschool initiatives

- Policy makers and advocates must review California's early care and education system using a comprehensive inclusive process. Any policy changes implemented must be designed to achieve equity and grounded in an understanding of the real world impact on children and families and potential unintended consequences.

- Child care policy affects all children in out-of-home care, not just those receiving subsidies. Child care is a universal need. Many middle- and upper-income families utilize California's child care providers. Thus, any change in the subsidized child care system will have a ripple effect on most families using child care. Planning should engage parents, their unions, and employers as well as the child care community.

Strengthen the child-centered focus of licensing and regulation

- Licensing and regulation should be adequately funded and should be designed to protect children's health and safety as well as the rights of children, parents, and child care providers. Policies should use child-based standards to promote the quality of child care.

Seek balanced budget solutions and equitable new revenue sources

- Despite its budget crisis, California remains one of the world's largest economies, yet our child poverty rate exceeds that of other large states. California must invest in children at the level necessary to provide for all their needs, including their early care and education. The Governor and legislature should seek additional ongoing state revenue sources, including reversing recent tax cuts and/or increasing taxes. New revenues should come from those at upper income levels who can afford to pay and who have reaped the benefits of precious tax cuts, not from increased taxes or fees on the lowest-income Californians.

ACCESS, AFFORDABILITY & ELIGIBILITY

WORKGROUP CONSENSUS ITEMS

Comprehensive services

- We should work with other groups to expand all children's access to basic services including: health care, housing, nutrition, foster care and child protective services, and other vital child and family supports.
- Child care providers and advocates must work collaboratively with other service providers to make comprehensive services available through child care centers and family providers, learning from the model of Head Start.
- Access to health care (physical, mental, and dental) for all children is vital to success of early care and education and to public health. Medi-Cal and Healthy Families should be fully funded; reimbursement rates for providers should be adequate.
- Services to immigrant families and children should be maintained.
- We should reach out to families and organizations to build partnerships to serve children and maintain a comprehensive support system for children and families.
- Family income must be sufficient to meet children's basic needs, CalWORKS benefits should not be cut and other income supports should be considered as money is available.
- The diversity of California's communities and families should be recognized in all policy and budget decisions.
- California should leverage all possible federal dollars for services to families and children.
- Ensuring vulnerable children's school readiness requires quality early care and education and comprehensive services as outlined above.

An integrated early care and education/school readiness system with adequate resources

- The need for a seamless system that meets the needs of children and families should drive systemic changes and substantial policy shifts. Reforms driven by budget considerations seldom create good policy.
- California's current child care system is designed both to meet the needs of children and to support working families. We should strengthen all aspects of the

system and oppose proposals that would further fragment or bifurcate it into one system that is primarily a work support and another that is primarily educational.

- Policies should support families' ability to remain in the work force.
- The state must increase funding for all child care programs. We must be prepared for the increased work requirements in TANF reauthorization proposals being considered by the Federal government.
- In this policy and budget climate we support maintaining the current balance between CDE and DSS and Proposition 98.
- We should adequately fund the state and local child care infrastructure, including Resource and Referral agencies, local planning councils, licensing, and staff training, as well as CDE and DSS oversight.

Children with disabilities

- State budget and policy changes should increase access for children with disabilities and ensure access for children with disabilities up to age 21.
- Regional centers and the services they provide must not be cut in order to fund California's budget shortfalls. Coordination between Regional Centers and child care should be maintained.
- Local initiatives to expand the supply and increase the quality of child care, such as those funded through SB1703, should be maintained on a permanent basis and expanded as funds become available.
- The state must protect the civil rights of children with disabilities.

CalWORKs Stage 3 child care

- The state must honor its commitment to parents. Cuts in support services for former cash aid recipients will push many vulnerable families back to CalWORKs cash aid.
- Stage 3 child care should have the same supports and requirements, including eligibility, as other child development programs.

Income eligibility

- We oppose reductions in income eligibility;
- Eligibility should be based on accurate current data measuring state median income. California should adopt a more accurate methodology to determine need,

such as the “self-sufficiency standard” that takes into account both family size and regional living costs.

Age eligibility

- The age of eligibility for subsidized care should not be lowered unless access to after-school programs for older children, transportation home for children who need it, and care during non-traditional hours are guaranteed.

Family fees

- We should maintain maximum fee levels at 8% of family income and maintain the current system of not imposing any fees until a family’s income reaches 50% of the state median.
- We oppose proposals to change the basis on which fees are charged from “per family” to “per child.”
- We oppose increasing family fees based on the cost of care; this would have a detrimental effect on parental choice and reduce parents’ ability to select high-quality but more expensive care.
- We oppose further reductions in the Regional Market Rate that will result in higher co-payments for families.

Time limits

- We oppose arbitrary time limits on family or child eligibility for child care subsidies.

STAFF COMPENSATION, RETENTION, AND PROFESSIONAL DEVELOPMENT

WORKGROUP CONSENSUS ITEMS

A comprehensive workforce development plan to support staff retention, training, and compensation

- We need quality infrastructure that works together to support staff – the California Early Childhood Mentor Program, Child Development Training Consortium, CARES, infant/toddler, planning councils
- Update reimbursement rates, as years of lost cost-of-living adjustments have undercut compensation of providers and centers
- Improve compensation to support quality improvements.
- Link all professional development to compensation; create dedicated funding sources for compensation improvement.
- Make universal preschool staffing plans comprehensive; include workers' input and offer opportunities for teachers of children of all ages.
- Maintain the positive momentum of CARES in any workforce planning connected to universal preschool.
- At a minimum, maintain current funding and do not backtrack on provider compensation.

Professional development

- Seek a Legislative mandate for increased coordination among community colleges, the California Commission on Teacher Credentialing (CCTC), the California Department of Education's Child Development Division, and four-year colleges.
- Institutionalize a registry or clearinghouse of training options and requirements; support efforts to clarify for providers the different educational requirements and standards of various systems.
- Without reducing standards, make both pre-service and ongoing educational requirements easier to understand.
- Recognize the classroom role of better educated staff and providers, especially those at the B.A. level

- Create qualifications that are relevant to being a family child care provider (e.g. business training)
- When appropriate and funding is available, develop more options for community college early childhood education classes, including offering classes during evenings, on weekends, and in multiple languages.

Immediate priorities

- AB422, which asks CCTC to release a report on the Matrix pilot; increase discussion of alternative paths on matrix
- Child Development Division Plan – advocate that CDDP be allowed to provide for review and comment by the field before sending to Department of Finance for approval.

PROVIDER PAYMENT AND RATE STRUCTURE

WORKGROUP CONSENSUS ITEMS

Tiered reimbursement

- Consider higher rates for providers who meet quality standards as a means to increase quality, but do not lower current reimbursement rate for any providers.
- Designate resources to implement and maintain an inclusive tiered reimbursement system that encompasses centers, family child care provider, and license-exempt providers.
- Monitor tiered reimbursement through an independent system.

Standard Reimbursement Rate

- Commit to developing strategies to increase the Standard Reimbursement Rate to reflect the actual cost of care.
- Reimburse Title 5 programs, which must meet higher standards, at a higher rate than programs only required to meet Title 22 standards.
- Develop methods to easily blend pre-school and other funding streams, in order to increase access to full day care.

Regional Market Rate

- Simplify rate administration.
- Locate authority over rates in the Child Development Division, not the Department of Finance.
- Engage the field in developing changes and pilot changes regionally before going statewide.
- Develop a new methodology through a process that is open to the public and encourages public input.
- Make new methodology consistent with new regulations.
- Ensure that the Regional Market Rate reflects costs, e.g., licensing fees and workers' compensation.

LICENSING AND REGULATION

WORKGROUP CONSENSUS ITEMS

Standards

- Protect and preserve the licensing system's current standards that promote health and safety.

Enforcement

- Inform people that resource & referral agencies have no enforcement authority.
- Return to the licensing system's earlier visitation schedule: once a year for centers and once every 3 years for family child care.
- Work toward annual visits for all licensed providers.

Provide increased technical assistance for providers and parents

- Reinstate the child care advocate program
- Increase linguistically and culturally appropriate access

Increase accessibility of information for parents

No further increases in licensing fees

- Fees paid by providers should be used to support licensing
- Designate a party to monitor the flow of designated revenue (i.e. license plate fees) and other revenue sources and to report to the public.

Designate Licensing a core health and safety function to protect it from budget impasses

Exempt staff support and licensing administration from any hiring freeze, to facilitate processing of applications and to provide better access for parents