

## INTRODUCTION

In October 2004 the child care work group convened for its third annual meeting, building on work that began in fall 2002 when the Children's Roundtable Child Care Committee, co-chaired by the Child Care Law Center and the California Child Care Resource and Referral Network, developed a planning process to address child care in California. These meetings have assembled a diverse group to develop proposals to improve child care and respond to the state budget deficit. In 2004, the Children's Roundtable Child Care Committee, the Child Care Law Center, The California Resource and Referral Network, the California Child Development Corps, and the California Child Development Coalition sponsored the policy development and planning process.

Each year, parents, child care providers, staff from local resource and referral agencies, staff from the alternative payment programs that administer subsidies, representatives of labor, and other advocates have participated, and legislative and agency staff have joined the discussions. These work groups have created a rare opportunity for people across the child care spectrum to engage in critical discussions about the future of child care policy.

The work group that convened on October 4, 2004 continued the established process of building on the consensus from previous meetings. A plenary discussion first considered the political context and our vision of the system we want to build. Participants then broke into five focus areas: Access, Affordability, and Eligibility; Provider Payment and Rate Structure; Staff Compensation, Professional Development, and Retention; Licensing and Regulation; and Systemic Issues. Through analysis, open discussion, and compromise, each group came to consensus on five or six points and marked three others to be tabled for further discussion. Finally, the entire group reconvened to discuss and draw consensus on the work of the smaller focus groups.

The following pages outline the points on which we reached consensus and demonstrate the depth of understanding of the issues that inform these conclusions.

## EXECUTIVE SUMMARY

### Principles and Vision

*California child care policy should:*

- Honor children and ensure that children learn while parents earn.
- Support strong families and strong, diverse communities.
- Maintain and further develop a comprehensive early care and education system.
- Provide adequate resources for access to high quality early care and education.
- Make high quality early care and education, with real parent choice, available to all children.
- Focus special attention on our youngest children.
- Value, educate, and adequately compensate the child care workforce.
- Strengthen the child-centered focus of licensing and regulation.
- Seek balanced budget solutions and equitable new revenue sources.

### Financing and Systemic Issues

*California child care policy should:*

- Maintain, expand, and devote adequate resources to an integrated early care and education/school readiness system.
- Develop a comprehensive planning process linked to proposed preschool initiatives.
- Link child care to comprehensive services.
- Expand services to immigrant families and children.
- Recognize the diversity of California's communities and families.
- Leverage all possible federal dollars for services to families and children.

### Access, Affordability, and Eligibility

*California child care policy should:*

- Maintain child care access for all welfare to work participants, including those in CalWORKs Stage 3.
- Oppose reductions in income eligibility levels, and base eligibility on self-sufficiency standards that reflect realistic, regional living costs rather than on the outdated federal poverty standard.<sup>1</sup>
- Maintain equitable fee levels for families.
- Oppose time limits for all subsidized families.
- Increase access for infants and toddlers, children with disabilities, families whose first language is not English, and all other children who face barriers to high quality child care.
- Maintain and expand access for school-age children.

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<sup>1</sup> For more information on the self-sufficiency standard, see [www.sixstrategies.org](http://www.sixstrategies.org).

## **Provider Payment and Rate Structure**

### *California child care policy should:*

- Develop strategies to increase the Standard Reimbursement Rate (SRR) and Regional Market Rates (RMR) to reflect the actual cost of care locally.
- Designate new resources to implement and maintain an inclusive and fair tiered reimbursement system that encompasses state contracted programs, private centers, licensed family child care programs, and license-exempt providers.
- Locate authority over rates in the California Department of Education, not the Department of Finance.
- Carefully evaluate the impact of rate changes, and consider piloting changes to the reimbursement system regionally before implementing them statewide.
- Do not allow the SRR, which supports the higher standards required by Title 5, to fall below the RMR in any area of California.

## **Staff Compensation, Professional Development, and Retention**

### *California child care policy should:*

- Provide ongoing support for Child Care Retention Initiatives (CRI's) programs statewide, including CARES and AB212.
- Move toward comprehensive and permanent wage enhancements for all teachers and providers working with children, from infancy to school-age.
- Address workforce development issues comprehensively in planning for Universal Preschool.
- Improve and simplify the Child Development Permit Matrix and Credentialing System.
- Build a comprehensive and accessible professional support system for early childhood education students.

## **Licensing and Regulation**

### *California child care policy should:*

- Restore the intent, integrity, and effectiveness of licensing as the foundation of quality care; require more frequent inspection on visits to providers.
- Protect and preserve the licensing system's current health and safety standards.
- Work toward annual visits for all licensed providers.
- Provide increased technical assistance for providers and parents
- Improve the accessibility of information for parents.
- Implement fiscal accountability for Community Care Licensing and make the licensing process transparent.
- Avoid further increases in licensing fees.
- Designate Community Care Licensing as a core health and safety function to protect it from budget reductions.
- Exempt licensing staff and administration from state hiring freezes.

## EARLY CARE AND EDUCATION SYSTEM: PRINCIPLES AND VISION

### **California child care policy should:**

#### ***Honor children***

- Each child should be valued as a child with promise and potential. Children's basic needs must be met; they must be nurtured and given the opportunity to develop to their full potential and enjoy safe, developmentally appropriate opportunities and a rich and fulfilling childhood.
- Like elementary and secondary education, high quality child care should be an individual right of each child and a collective responsibility of society.

#### ***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 in support of both goals and continues to increase access to high quality programs.

#### ***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.

#### ***Support strong diverse communities***

- We should value the rich ethnic and cultural diversity of California. Communities differ in their beliefs and approaches to out-of-home care, and it is essential that families from varied communities have culturally and linguistically appropriate choices. All quality standards should include language ability and cultural competence. All curricula and screening and assessment tools should be culturally and developmentally appropriate.
- We should ensure that training and support programs are accessible and culturally and linguistically appropriate for all child care providers.

***Maintain and further develop a comprehensive early care and education system***

- We must be conscious that short-term budget based policy initiatives or dilution of state standards overseen by the Department of Education could further fragment the child care and early education system. 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 with the overall system 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, the different needs of rural and urban areas, and the cultural and linguistic needs of various communities. We must provide funding and support to assure the quality and accountability of child care providers and other contractors.
- We should recognize the high quality programs and standards we have developed and the richness of available research. We should ensure that we use current research and models on an ongoing basis to define, measure, and expand high quality programs and invest the resources to support high quality.
- 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 as many jobs as the advertising industry, more than twice as many as the lumber industry, and thousands more than the accounting and legal services industries.

***Provide adequate resources for access to high quality early care and education***

- Over 280,000 eligible families are on waiting lists for child care subsidies; at the same time, our child care work force is sorely underpaid. New initiatives should not rob current programs with proven effectiveness; rather we need to add resources.
- The Legislature and stakeholders should review the elements of high quality child care to determine its real cost; these elements include system infrastructure, training and education, adequate reimbursement rates, diversity of program delivery, parental choice, wages, and care for infants and toddlers as well as preschool children.
- Both the Standard Reimbursement Rate (SRR) and the Regional Market Rate (RMR) should be examined to determine whether they are adequate to maintain high quality programs. The SRR, because it supports the higher standards required by Title 5, should be maintained at or above the RMR throughout California.

***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 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 possible only when parents have

access to a variety of affordable high quality options. We should measure family income according to a realistic, regional self sufficiency standard and establish eligibility accordingly for all early education programs and family support services.

- 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.
- Children with disabilities must have equal access to early care and education programs that make reasonable accommodations to serve those children, as required by federal and state law.
- High quality out-of-school care must be widely available to all families.
- We must 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.

***Focus special attention on our youngest children***

- We must increase families' options in choosing high quality early care and education for infants and toddlers. It is widely recognized that the first three years of life are a time of dramatic social, emotional, and cognitive growth. Indeed, many contend that a child begins to get ready for school at – or even before – birth.
- A single system should integrate preschool initiatives with infant and toddler programs, and these early care and education programs should be linked to and support a smooth transition to the K-12 education system.

***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 across urban, suburban, and rural communities alike; and give community and state colleges and universities sufficient resources 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.

***Strengthen the child-centered focus of licensing and regulation***

- Licensing and regulation should be adequately funded and 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 early care and education. The governor and legislature should seek additional ongoing state revenue sources, including reversal of recent tax cuts and/or increasing taxes. New revenue 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.
- Californians and our congressional representatives should advocate for increased federal investment in early care and education programs, out of school programs, and all critical services to children and families. We should ensure that our national priorities reflect our commitment to our children. This means collecting revenue that is adequate to finance vital programs, making budget decisions to adequately support them, and increasing federal investment in these programs.

## FINANCING AND SYSTEMIC ISSUES

### ***Maintain and expand an integrated early care and education/school readiness system with adequate resources***

- 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 two systems: one that is primarily a work support and another that is primarily educational.
- The system should serve all children starting at birth and take into account socioeconomic disparities, access for children with disabilities and other special needs, and access to culturally and linguistically appropriate care.
- We should maintain and expand the role of the Department of Education.
- We should build on existing systems in implementing a comprehensive delivery system.
- We should adequately fund the state and local child care infrastructure, including resource and referral agencies, local planning councils, licensing, and staff training (all CDE-funds services should be listed here), as well as California Department of Education and Department of Social Services oversight.

### ***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 changes in policy must be designed to achieve equity and grounded in an understanding of the real world impact on children and families and potential unintended consequences. Any new preschool initiatives should serve to leverage resources to strengthen the early care and education system, in addition to expanding preschool services.

### ***Financing***

- Funding must be adequate for the entire system, with the true cost determined through a comprehensive process.
- We must analyze the impact of increased work requirements that may be required with federal TANF reauthorization, and determine the level of additional funding required.
- While we support long-term planning leading to systems change, in the short-term absent that review, we support maintaining the current balance between CDE and DSS and for early care and education funding within Proposition 98.

### ***Comprehensive services***

- We should work with other groups to expand all children's access to basic services and to create linkages among them; these services include 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 child care providers, learning from the model of Head Start.
- Access to health care (physical, mental, and dental) for all children is vital to 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 and expanded.
- Family income must be sufficient to meet children's basic needs, as measured by self sufficiency standards. CalWORKS benefits should not be cut and other income supports should be considered as funding becomes 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.
- Provider training should include information on means by which to link children in early care and education settings to comprehensive services.

## ACCESS, AFFORDABILITY, AND ELIGIBILITY

### ***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 funding should be made permanent.
- 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 on 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.

### ***Family fees***

- We should maintain maximum family fee levels at eight percent of family income and continue not to impose any fees until a family's income reaches 50 percent of the state median.
- We oppose proposals to change the basis on which fees are charged from "per family" to "per child," as this could drastically increase a family's contribution to care, making it untenable for some.
- 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.

### ***Infants and Toddlers***

- We should develop recommendations to expand access to high quality care and educational programs for children from birth to age 3, especially in low-income areas where child care is particularly scarce; these recommendations should include comprehensive health and other services for infants and toddlers and their parents, including early screening for learning and physical disabilities.

***School-age children***

- We must focus attention on the importance of after school care for school-age children, recognizing parents' legitimate concerns about safety and the need for homework assistance and access to a variety of activities.
- We must maintain access to after school programs and eligibility for subsidies for 11- and 12-year-olds.

***Children with disabilities***

- State budget and policy changes should increase access to care 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 meet 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.

***Access for all children facing barriers to high quality child care:***

- Attention must be given to transportation and geography issues, regional differences, and non-traditional work time.
- All policies should promote culturally and linguistically appropriate care.

## PROVIDER PAYMENT AND RATE STRUCTURE

### ***Standard Reimbursement Rate***

- We should develop strategies to increase reimbursement rates so they reflect the actual cost of care locally (for both contracted centers and vouchers).
- We should consider a local reimbursement base rate for providers, with increasingly higher reimbursement rates for those who meet quality standards (rate to be assessed and defined later).

### ***Tiered Reimbursement***

- We should designate new resources to implement and maintain an inclusive tiered reimbursement system that encompasses state contracted programs, private centers, licensed family child care programs, and license-exempt providers.
- We should monitor provider quality through a system that is independent of the payment system.

### ***Regional Market Rate***

- The California Department of Education, not the Department of Finance, should have authority over rates.
- Carefully consider the impact, including piloting changes, to the reimbursement system regionally before implementing them statewide.
- We should explore strategies for increasing reimbursement rates in concert with increases in quality.

## STAFF COMPENSATION, PROFESSIONAL DEVELOPMENT, AND RETENTION

### ***Provide ongoing support for Child Care Retention Initiatives (CRI's) Programs statewide including CARES and AB212***

- We should encourage continued leveraging of state and First 5 funds statewide to include all members of the workforce, including subsidized and non-subsidized center program employees and family child care providers and employees.

### ***Move toward comprehensive and permanent wage enhancements for all teachers and providers working with children, from infancy to school-age***

- We should base efforts to increase compensation and benefits on existing CRI/CARES programs and explore and consider expanding efforts such as San Francisco's Wages Plus.
- We should encourage improvements in reimbursement rates linked to the compensation, education, and stability of staff and providers.

### ***Comprehensively address workforce development issues in planning for Universal Preschool***

- We should support the review and recommendations for the existing professional development system and compensation of the workforce (such as that proposed in AB712) of the Blue Ribbon Committee on Workforce Development sponsored by First 5 California. The panel should include teacher, provider, and parent representatives.
- We should ask the Panel to plan for a workforce to provide early care and education for children from infancy to school age, to support a diverse delivery system that includes family child care, and to link increases in educational standards to increased compensation.

### ***Improve the Child Development Permit Matrix and Credentialing System***

- The child development permit should be revised and simplified to make it more appropriate for school age and family child care providers. We should explore broadening the child development permit requirements and competencies to include alternative educational paths such as Montessori courses and child development associate degrees.
- All increases in educational standards should be linked to increased compensation.
- A comprehensive early childhood credential should be available for those working with children from infancy to age eight.
- We should review the previous Commission on Teacher Credentialing initiative and pilot project.

***Build a comprehensive professional support system for early childhood education students.  
Specifically:***

- We should address current barriers for providers and teachers pursuing education by:
  - linking early childhood education courses to English as a Second Language courses to increase access for ESL students;
  - scheduling courses in the evenings and on weekends;
  - offsetting the cost of textbooks, transportation, and child care;
  - offering distance learning;
  - offering general education and basic skills courses; and
  - providing educational and career counseling linked to early care and education coursework.
  
- A comprehensive articulated curriculum that includes a progression of practicum and theory-based courses that is common across colleges should be developed for the early childhood profession. Multiple entry points should be available for teachers and providers, and the curriculum should demonstrate an understanding of the diversity of early care and education settings, including family child care.
  
- Two- and four-year college faculty and staff should be involved in developing a comprehensive system that includes articulation planning among two-year colleges; between two- and four-year colleges; and between U.S. and non-U.S. programs.

## LICENSING AND REGULATION

### ***Licensing as the Foundation***

- We should restore the intent, integrity, and effectiveness of licensing as foundation of quality care and increase the frequency of inspection visits to providers.
- The link between tiered reimbursement proposals, universal preschool, and the regulatory infrastructure necessary to support these proposals should be explored fully and the cost analyzed.

### ***Standards***

- The licensing system's current health and safety standards should be preserved and protected.
- Licensing staff who conduct visits of child care programs must have expertise/training in child development and the requirements/rationale of licensing.

### ***Enforcement***

- We should inform people that resource & referral agencies have no enforcement authority.
- The licensing system's earlier visitation schedule should be reinstated: once a year for centers and once every three years for family child care.
- We should work toward annual visits for all licensed providers.

### ***Provide increased technical assistance for providers and parents***

- Any regulatory requirement must have infrastructure (eg. training) at the provider and agency level to ensure successful compliance.
- The child care advocate program should be reinstated.
- Linguistically and culturally appropriate access to child care should be increased.

### ***Increase accessibility of information for parents***

- Licensing requirements must be clear and comprehensible to families

### ***Accountability***

- Fiscal accountability and transparency of licensing is needed. The source of licensing's funds and whether a monitoring system is in place should be clear.

### ***No further increases in licensing fees***

- Fees paid by providers should be used to support licensing; however, licensing fees should not be required to cover the full cost of state licensing personnel.)

- A designated party should 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***