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# **CHILD CARE WORK GROUP REPORT**

**JANUARY 2006**

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The Children's Roundtable Child Care Subcommittee, the California Resource and Referral Network, the California Child Development Coalition, the Child Care Law Center and the California Child Development Corps co-sponsored a meeting September 20, 2005 designed to develop the 2006 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 and the 98 workgroup participants.

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## INTRODUCTION

In September 2005 the child care work group convened for the fourth time to build off the collaboration that began in September 2002. 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 that would bring people from different perspectives together to improve the early care and education system in California.

Participants throughout the process have included staff from local resource and referral agencies, parents, local planning coordinators, child care providers, including teachers, family child care providers and administrators, advocates, staff from the alternative payment programs that administer subsidies, higher education faculty, labor, and other professionals. Legislative and agency staff also attended and took part in discussions in the focus areas. These work groups have provided the rare opportunity for people across the early care and education sphere to engage in critical discussions around the future of early care and education through the context of policy.

The work group that convened on September 20, 2005 continued the established process of building off the existing consensus items from previous meetings. Sponsors included The Children's Roundtable Childcare Subcommittee, the Child Care Law Center, The California Resource and Referral Network, The California Child Development Corps and the California Child Development Coalition.

Groups broke into five focus areas: Access, Affordability, and Eligibility; Provider Payment and Rate Structure; Staff Compensation, Professional Development, and Retention; Provider Rates; Licensing and Regulation; and Systemic Issues. Through analysis, open discussion, and sometimes compromise, each group identified points of consensus and marked points needing further discussion. Following, the entire work group reconvened to discuss and draw consensus on the work of the smaller focus groups.

Overarching issues for the year include restoration of the effectiveness and funding for Community Care Licensing; preservation of family access to high quality early care and education through the subsidy system; how to measure, reward, and fund quality; establishing fair rates for both licensed and license exempt child care providers and integration of preschool initiatives to strengthen the entire early care and education system.

The pages following outline these points and the collective vision that is the basis of the consensus recommendation for advocacy in 2006.

## EARLY CARE AND EDUCATION SYSTEM: PRINCIPLES AND VISION

Over the first two meetings, the work group established principles and a vision to assist in maintaining focus, we have refined this vision in each subsequent year.

### **California early care and education policy should:**

#### *Support strong families*

- We cannot address early care and education 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.
- Parents are the experts on their children and must be involved in their children's education; be given real choices including a variety of out of home care settings and paid family leave; and be consulted and considered in the federal, state and local budget and policy development process.

#### *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 early care and education 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 early care and education 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 early care and education 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 early care and education 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. Early screening and intervention is vital for children with special needs.
  - 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 early care and education providers available in languages and cultural contexts that reflect California's many communities.

***Value, educate, and adequately compensate the early care and education 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.
- Proactive efforts must be made to ensure that the child care workforce reflects the diverse face of the children and families in California and that all children have access to linguistically and culturally competent care.
- We should support programs, such as CARES, that reward the pursuit of development and 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. While coordinating, it is essential that high quality early care and education should retain their fundamental focus on the whole child and culturally and developmentally appropriate practices. We must let children be children.
- The statewide system should recognize regional differences and the different needs of rural and urban areas. We must provide funding and support to ensure the quality and accountability of child care providers and other contractors.
- Policy and budget decisions should recognize that early care and education is a high-growth, low-risk government investment. The licensed early care and education 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 early care and education 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.
- High quality programs require adequate facilities. Appropriate resources for them should be made available and public private partnerships should be encouraged.

### ***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.

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

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

- California's core investment in child care is support for a system of licensing and regulation designed to protect the health and safety of children in out-of-home care. This is the foundational investment for all children in early care and education programs. Community care licensing should be proactive rather than reactive, adequately funded and staffed by those with child safety and development expertise.
- California should review state systems and regulations. Determinations should be made where regulations can be better aligned and streamlined while still serving their primary purpose of meeting the needs of families and children.

***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 previous tax cuts, not from increased taxes or fees on the lowest-income Californians.

## ACCESS, AFFORDABILITY, AND ELIGIBILITY 2006 POLICY AND BUDGET PRIORITIES

### **Maintain parental choice through:**

- Increase in parent information & education.
- Increase in support and training for license-exempt providers.
- Expansion of resources for frontline staff working with parents & providers.

### **Retain access for all families currently receiving subsidized child care and move towards full funding to provide services for all eligible families.**

- Stage 3 funding for former cash aid recipients should be made permanent and should have the same supports and requirements, including eligibility, as other child development programs.
- State budget and policy should increase access for all children with disabilities by providing adequate funding, training and other supports, and develop a comprehensive definition of the term “exceptional needs,” and should ensure access to care for all children with disabilities up to age 21.
- 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.

### **Income eligibility should reflect current realities.**

- Eligibility should be based on accurate current data on state median income or a more accurate measure, adjusted annually, and not artificially lowered by using data from past years.
- 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, not the FPL or CNI.
- Policies should be developed to help families to transition off subsidies - end the cliff effect.

### **Integrate Preschool for All and the existing early care and education system.**

- Create a task force to develop a statewide plan for infants and toddlers 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 especially scarce.
- Ensure that working families have access to full day full year options integrated with preschool.

### **Develop greater statewide standardization of subsidy regulations.**

### **Centralized Eligibility List (CEL) agencies should be systems that facilitate parents’ access to child care, not just administrative tools.**

- Implementation of CELs should be monitored to ensure that families are informed of the need to sign up on the list and that they are served fairly based on eligibility priorities.

## LICENSING AND REGULATION 2006 POLICY AND BUDGET PRIORITIES

**Develop adequate resources to restore Community Care Licensing.**

**Ensure licensing processes are consistent and fair for providers and families.**

- Improve quality of training for analysts, with a focus on child development issues.
- Institute better management and supervision.
- Increase communication with providers so they understand the standards expected of them.

**Resolve noncompliance issues in a timely and transparent manner.** When CCL finds a violation after a random inspection or a visit prompted by a complaint, the department is required to set out a plan for compliance and monitor whether or not the provider successfully follows the compliance plan.

- Improve follow through on the complaint resolution process.
- Improve CCL follow-up after initial visits are made.
- Increase information available to the public to assess whether CCL uses its authority to resolve noncompliance issues.
- Shorten the length of time it takes to resolve noncompliance issues.

**The expansion of early care and education system capacity must address impact on licensing.**

- Any increase in facilities and providers will have an administrative cost which should be included in budget allocations for the department, and should be taken into consideration when considering costs of new programs.
- The role of licensing in universal preschool and other quality efforts must be integrated from the planning through the implementation stages.

**Licensing is an appropriate, fundamental government function and should not be privatized.** The core function of licensing is so critical to the safety of children that it must remain a state responsibility, accountable to our elected officials. Attempts to increase cost-effectiveness by delegating responsibilities to other institutions and nonprofit organizations are not acceptable.

**Community Care Licensing (CCL) should be proactive, not reactive.** So long as CCL is underfunded, it is forced to react to problems, to focus on complaints rather than prevention. A restored licensing program will result in better trained and informed providers, who will be able to comply with licensing regulations or get the support they need to do so.

- increase the regional advocates and local CCL advisory committees,
- emphasize the value of prevention by supporting providers,
- explore effective communication between CCL and providers,
- Licensing staff should be trained in child development.

**Emphasize the value of prevention.**

## PROVIDER PAYMENT AND RATE STRUCTURE 2006 POLICY AND BUDGET PRIORITIES

### **Standard Reimbursement Rate, Provider Payment:**

- Rebench the SRR to reflect the actual cost of care (Title 5 standards) and require mandatory annual COLAs.
- Increase the SRR based on any new program mandates and quality requirements.
- Explore using unearned and yielded contract funds to increase the SRR.
- Update parent eligibility standards.
- Allow flexibility across contract types.
- Review restrictions that make administration of contracts challenging.

### **RMR (Regional Market Rate):**

- Analyze the potential impact of the new rates prior to implementation.
- Conduct an independent analysis of the methodology for current and potential use.
- Simplify the administration of the RMR.

### **Tiered Reimbursement:**

- Maintain a strong licensing system in order to build a quality system (base-line health & safety).
- Reject any proposals that would reduce funding to the early care and education delivery system.
- Advocate for a Tiered Reimbursement system based on identified quality factors (see quality rating system).

### **Quality Rating System (QRS):**

- Connect ratings to licensing but monitor through a separate organization.
- Licensing requirements should be the baseline of any quality rating system.
- Any QRS must incorporate adequate resources (incentives) and an infrastructure to improve quality.
- QRS should include: Input from the field, review of existing state systems, research & best practice review.

## STAFF COMPENSATION, PROFESSIONAL DEVELOPMENT, AND RETENTION 2006 POLICY AND BUDGET PRIORITIES

- Professional standards and compensation for the early care and education (ECE) workforce should be comparable to that for K-12 teachers, with an appropriate career ladder and extensive professional supports to maintain the diversity of the existing workforce.
  - A career ladder with steps leading to a BA+ credential needs to be in place to permit staff and providers to increase their education incrementally and to receive improvements in compensation in tandem with increases in education.
  - The content of educational experiences for the ECE workforce should be appropriate for the age of children in child care.
  - Extensive supports need to be in place to permit the existing workforce to access education. These include fee and textbook reimbursement, evening/weekend classes, geographically accessible community-based classes for credit, tutoring/cohort support for General Education classes, adequate college counseling, and increased number and variety of credit-bearing courses. These measures will help to maintain the current diverse workforce.
- State funding and policymaking is needed to support the articulation between two-year colleges and universities.
- Recognize the importance of alternatives including community based training.
- Support paid training opportunities for members of the ECE workforce during the work day, for example by offering inservice professional development days.
- Develop an ECE credential that is linked to an overhauled Child Development Permit to create a pathway to higher education for people in the ECE workforce.
- Coordinate CARES and AB212 goals and application process to create a seamless program for participants.
- Encourage institutions of higher education throughout the state to promote language supports and classes for students with English as a second language.
- A Quality Rating System (QRS) raises many questions, i.e. its credibility and reliability (how will it be monitored), equity (will it disadvantage low income communities), and duplication of the licensing system which is currently underfunded. However, the Star Quality Rating system has the potential to shine a light on low quality child care and build a greater level of public support for public investment.

## FINANCING AND SYSTEMIC ISSUES 2006 POLICY AND BUDGET PRIORITIES

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

- Licensing is a priority this year as part of a seamless/integrated system.
- Early care and education initiatives should build on the existing system.
- Every family should have access to appropriate care and education via a system that serves all children from birth and takes into account socioeconomic disparities, access for children with other special needs, and access to culturally and linguistically appropriate care.
- 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.

### ***Develop a comprehensive planning process linked to proposed preschool initiatives.***

- California needs a comprehensive planning process linked to Preschool opportunity for all - ensuring all planning addresses potential impacts on infant care, the needs of working families, the needs of English language learners and children with special needs.
- Planning should look at child development from early care and education best practices, not simply importing the K-12 model.

### ***Ensure adequate funding for the early care and education system.***

- Funding must be adequate, effective and on going- we should seek new continuous sources of funding.
- We should adequately fund the state and local child care infrastructure, including resource and referral agencies, local planning councils, as well as California Department of Education and Department of Social Services oversight.
- No low income families or providers should be cut as a way to finance the system.
- We must be prepared for the increased work requirements and other changes that may be required with federal TANF reauthorization.

### ***We must ensure that families and children have access to 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 learning from the model of Head Start.
- 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.