



CHILD CARE LAW CENTER

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CHILD CARE LAW CENTER'S RECOMMENDATIONS PRESIDENTIAL TRANSITION TEAM MEETING DECEMBER 5, 2008

Early care and education (ECE) is a critical area for societal investment to ensure equity and opportunity for all children, support low-income families, and fight poverty. Access to subsidized ECE makes it possible for low-income parents to work and participate in education and training, and contributes 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.

We cannot address child care in a vacuum; ECE is one important aspect of a nexus of critical supports for families. To flourish and be ready for school children need caring adults, adequate family income, good nutrition, health care, culturally and developmentally appropriate education, and safe environments. ECE must be family friendly, available at the times and locations that sustain parents' work and education efforts, respectful of the cultural diversity of families and their home languages, and supportive of parental involvement in their children's care and education.

California's ECE system is seriously underfunded and our current fiscal crisis could cut even further into ECE access and quality. The primary need is for additional investment. Second, we should build on the high quality programs and innovations that serve as models in communities throughout the state. Piecemeal reforms will lead to further fragmentation and degradation of an already fragile system. We need a comprehensive planning process that looks at all aspects of the ECE system from the perspective of children and families. This process must determine the true cost of care and not simply respond to fiscal constraints.

CCLC's Recommendations for Immediate Federal Action:

1. **Ensure that child care investment is a key element of economic recovery.**
 - a. Augment funding for the Child Care and Development Block Grant so states can maintain subsidized care for eligible working parents, and ensure adequate reimbursement rates for center and home-based providers.
 - b. Augment funding for Head Start and Early Head Start.
 - c. Recognize rising economic dislocation and support states in extending child care subsidy eligibility while parents are searching for work.

2. **Provide immediate financial support to states.**
 - a. Provide flexible funds that states can spend to retain the safety net for low-income families, ensure vital services, and stimulate their economies.
 - b. Immediately fund the federal share of the Individuals with Disabilities Education Act (IDEA) at 40%.



3. Conduct immediate review of federal mandates.

- a. Revisit the 2007 federal Deficit Reduction Act. The DRA focuses on cutting services rather than providing opportunities for children. California and many other states face severe federal penalties estimated to be \$150,000 million in 2010 if these policies are not reversed. At a minimum, the penalties should be suspended pending policy review. Such penalties will cut into the states' ability to provide vital supports including child care to families in poverty.
- b. Review and revise Department of Health & Human Services, Administration for Children & Families (ACF) policies that restrict access to child care for low-income children.

California Facts

California's poverty¹: Nearly half of California's children live in low-income families (42%; 3,931,435 children; National: 39%), defined as families with income below 200% of the federal poverty level. This includes 21% (653,193) of white children, 51% (336,990) of black children, 59% (2,630,562) of Latino children and 27% (253,103) of Asian children. Eighteen percent of California's children live in poor families (1,712,807 children; equal to the national rate), defined as families with income below 100% of the federal poverty level.² The federal poverty level is \$17,600 for a family of three.

California's economy: As the job market weakens, more Californians are relying on the state's income support programs. In late 2007, the number of families receiving cash assistance through the CalWORKs program began to rise for the first time since 2004. In May 2008, CalWORKs caseloads were up by nearly 20,000 (4.4 %) from May 2007.³

California's budget deficit: California faces an estimated \$28 billion state budget deficit over the next two years. The Governor's proposed cuts include slashing cash aid grants by 10% (lowering the maximum grant for a family of 3 from \$723 to \$651 a month), and cutting child care expenditures in the current budget year by \$97 million. These cuts will push vulnerable children and families into deeper poverty, and take money out of the economy.

California's subsidized child care program: The State of California spends approximately \$3 billion per year in state and federal funds on subsidized child care for low-income families. In 2007-08 the state served 492,432 children in ECE programs administered by the California Department of Education⁴ and approximately 60,000 children in programs administered by the Department of Social Services.⁵ Despite this significant investment, California's subsidized child care system is under-funded with a waiting list of approximately 200,000 children not receiving the care for which they are eligible.⁶ The state's ECE infrastructure is fragile and many of California's high quality contracted centers face closure due to a 24% decline in the Standard Reimbursement Rate over the past 25 years.

¹ National Center on Children in Poverty, *State Profiles* www.nccp.org.

² California Budget Project, *LABOR DAY 2008: LITTLE TO CELEBRATE* at www.cbj.org.

³ Data Compiled by California Resource and Referral Network, October 2008.

⁴ Spreadsheet prepared by California Department of Finance, May 2008.

⁵ California Budget Project, *California's Child Care and Development System*, April 2005, page 5.

⁶ *Id.*



CCLC's Response to Obama-Biden plan

As advocates for low-income children, we strongly support the recommendations outlined in the Obama-Biden plan for early care and education, disability rights, and poverty. We look forward to working with the Administration and other stakeholders to achieve equity and opportunity for low-income children and families. The following is an initial discussion of implications of those recommendations on California's children and families, as well as, considerations for further policy development. CCLC anticipates a rich and inclusive discussion.

Early Care and Education

Invest in Zero to Five: CCLC strongly supports a zero to five focus. Increased investment in our youngest children will allow us to increase access for over 69,000 eligible infants and toddlers who are currently on California's waiting list for subsidized care. In 2007, 41% of the requests to child care resource and referral agencies were for infant care, but only 5% of licensed child care center slots were available to children under age 2. Moreover, the cost of infant care is staggering: an average of \$10,745 a year in a center, or 69% of the earnings of a parent who works full time at minimum wage.

Expand Early Head Start and Head Start: CCLC strongly supports increased funding for Head Start and Early Head Start as one of the highest priorities for the new Administration, given Head Start's proven track record of positive outcomes for children who participate in the program, and the lack of options for our youngest children.

Focus on Children in Poverty: CCLC strongly supports increased investment focused on children in poverty and low-income working families who cannot afford child care. CCLC supports the proposals put forward by the Center for American Progress (CAP) to create a guarantee for child care for all families at or below 200% of poverty. This will serve a number of goals -- raising families out of poverty, supporting work, and ensuring children are in safe, nurturing programs. We also strongly support the focus outlined in the CAP paper on Health and Human Services. The Administration for Children and Families should reorganize and provide strategic leadership in partnership with stakeholders at the state and local level to refocus on family economic security and poverty reduction.⁷

Focus on Families with Challenges: States should be encouraged to develop capacity to meet the child care needs of children facing challenges, particularly children with disabilities, those experiencing domestic violence, children whose first language is not English, infants and toddlers, and children in families working non-traditional hours. ECE investments should support low-income families with programs designed to provide full day, full year options, and that are available to parents engaged in work, training, and education, as well as parents addressing problems of substance abuse, mental health or domestic violence.

Improve ECE Quality: CCLC strongly supports substantial new funds to help states improve the quality and availability of child care, and to remove barriers for underserved families.⁸ In California, licensed care is available for only 26% of parents who are currently in the work force. Many California children receiving subsidies are not in licensed care. This is

⁷ Olivia Golden and Joan Lombardi [Health and Human Services](#) Center for American Progress Action Fund

⁸ Thanks to Mark Greenberg, now Senior Fellow at the Center for American Progress and CLASP for contributing to our formulation of these goals. See the [CLASP FEDERAL POLICY RECOMMENDATIONS FOR 2009 AND BEYOND AN OVERVIEW](#) written by Alan Housman et al, October 16, 2008, at www.clasp.org and [From Poverty to Prosperity: a National Strategy to Cut Poverty in Half](#) by The Center for American Progress Task Force on Poverty, April 25, 2007, at www.americanprogress.org.



due to parental choice, but families also use license-exempt care because there are insufficient licensed options available, particularly in low-income communities.

Provide Strategic Federal Oversight: The correct balance between state and federal oversight should accompany new federal investment. As a requirement for receiving funds through the CCDBG, the federal government requires every state to submit a biennial “State Plan.” We recommend that the federal government review the requirements of the plans as it infuses new CCDBG funds. At a minimum, states should be required to set priorities to increase access and quality, reduce poverty, and to assess the outcomes they achieve with increased funds. (California recently passed legislation to strengthen legislative oversight and increase public input into the development of our State Plan.)

Strike a Balance Between Access, Verification and Due Process: The federal Improper Payments Information Act, and other directives have led states to emphasize ensuring eligibility for CCDBG-subsidized child care above all other considerations. States’ verification processes create significant barriers for families attempting to access subsidies, particularly for non-English speaking families and those facing domestic violence and other challenges. At the same time, there has been minimal focus on the need to provide due process to families to challenge a denial or termination of subsidized care. Federal policies should require states to revise punitive fraud policies and provide genuine procedural protections for families.

Address ECE Workforce Issues: ECE workforce education and compensation must be addressed in the context of increased investment. (See attached paper on workforce issues drafted by Marcy Whitebook.)

Establish Balanced Policies on License-Exempt Child Care: Federal law ensures that families receiving subsidies have a right to choose the type of child care provider they believe is best for their children, including care that is exempt from licensing requirements. License-exempt care in California includes providers caring for children who are relatives, or for the children of one family in addition to the provider’s own children. Families choose license-exempt care for a variety of reasons:

- Limited formal child care options, particularly for infants and toddlers, and pressure to quickly find a caregiver to retain employment or meet Temporary Assistance for Needy Families (TANF) Welfare-to-Work requirements.
- Parents work nights or rotating shifts, and formal care is not available to meet their schedules.
- Geographic isolation, whether in rural areas or inner-city neighborhoods where there are few licensed child care facilities, and the time and expense involved in transporting children to child care is a significant problem.
- Families of children with disabilities often find that license-exempt care is the best arrangement for the child and the family.
- Culturally and linguistically diverse families who are unfamiliar with the formal care system or where culturally competent care in their home language is not available often rely on extended family networks for care of young children.



CCLC strongly favors a thoughtful examination of both the role of license-exempt care in the subsidized child care system and the implementation of practices to help support and improve the quality of license-exempt care. To address concerns while acknowledging the need for license-exempt care, policies should be developed to:

- Recognize that license-exempt care is a critical resource for low-income parents and the entire subsidized care system, and establish adequate payment rates.
- Respect parental choice, minimize impacts on vulnerable families and treat license-exempt providers fairly.
- Allow children to access part-day, high-quality formal ECE programs while their families receive a subsidy to cover the cost of their full-time license-exempt care.

Poverty

We support efforts to assist Americans in poverty to gain a hold of and climb the job ladder. Early care and education will be a critical support for these families. Components of these policies to reduce poverty should:

- Ensure that access to high-quality early care and education programs is available to low-income families at or below 200% of poverty, and is designed to meet the needs of families working to achieve self-sufficiency.
- Ensure that states are granting parents good cause exceptions from participation in Welfare-to-Work requirements when appropriate child care is not available.
- Ensure that states are exempting parents from participation in Welfare-to-Work requirements when they have a child under 12 months old.
- Expand high quality after-school opportunities focused on children in low income families.
- Better inform parents of children with disabilities of their right to waiver, as well as, their right to access all forms of subsidized child care.
- Improve the TANF program and other safety net programs so that all families have necessary work supports, with a focus on positive outcomes for families and reducing poverty.
- Commit to cutting poverty in our nation by 50% within ten years.

Disability Rights

The Obama-Biden disability rights agenda will strongly impact early care and education. California has long been a leader in the inclusion of children with disabilities, and important statewide initiatives have focused on increased access for these children. We have many models in California including Head Start, a collaborative in San Francisco, and programs funded by First Five California (the tobacco tax fund for children birth to five). However, the current fiscal crisis means



that the already inadequate state investment is rapidly eroding even further and school districts are struggling to meet their obligations.

We strongly support the plan as it ensures full funding, effective implementation, and enforcement of the federal portion the IDEA. We also must ensure that students with disabilities have access to the public education of which they are entitled.

In developing policies and investment we advocate for a broad definition of “special needs” and “disability”: children who are protected by the Americans with Disabilities Act (ADA) or who have, or are at risk of, a chronic physical, developmental, behavioral, or emotional condition and who also require developmental, health, mental health, and related services and/or supports.

In California, over half of all infant and toddler and preschool centers and over 20% of all family child care homes care for at least one child with a disability. We support the full and active participation of children with disabilities and other special needs, along with typically developing children, in community activities, services, and programs, including preschool by providing appropriate support, accommodations, or modifications. The degree to which programs are successful in including children with special needs into their programs should be considered an important indicator of overall program quality.

Our vision is that all programs will be designed to promote inclusion of children with disabilities and special needs. Elements that promote their inclusion will be integrated into the planning and design of programs, rate structures, facilities and staff training programs. In every community: connections will be forged among service providers to ensure early identification and the availability of appropriate services to children; training and resources will be available for parents and providers; and transitions between services for children 0-3 and older under the IDEA and other programs will be seamless.

For more information on early care and education issues in California visit www.childcarelaw.org or contact Nancy Strobl, Executive Director of CCLC at nstrobl@childcarelaw.org or 415-394-7144 ext.302.