



CHILD CARE PLANNING COMMITTEE

May 7, 2014

12:00 p.m. – 2:00 p.m.

Los Angeles County Department of Public Works
900 South Fremont Avenue, Alhambra Room
Alhambra, CA 91803



PROPOSED AGENDA

- | | | |
|-------|--|---|
| 1. | Welcome and Introductions | Richard Cohen, Chair |
| noon | ▪ Opening Statement and Comments by the Chair | |
| 2. | Approval of Minutes | Action Item Richard Cohen |
| 12:10 | ▪ April 2, 2014 | |
| 3. | Local Funding Priorities Report | Michele Sartell
Staff |
| 12:15 | | |
| 4. | Report from the Policy Roundtable for Child Care and Development | Karla Pleitez Howell
Member Representative |
| 12:30 | | |
| 5. | Public Policy Report | Lisa Wilkin, Co-chair
Joint Committee on Legislation |
| 12:40 | ▪ AB 2125 (Ridley-Thomas): Reimbursement Rates | |
| 6. | Part I: Re-envisioning the Early Care and Education System | Richard Cohen |
| 12:50 | ▪ How do we envision a system that makes meaningful contributions to child, family and community well-being? | |
| 7. | Part II: Re-envisioning the Early Care and Education System | Michele Sartell |
| 1:20 | ▪ What are the emerging opportunities? What are the challenges?
- Public Policy Proposals and Initiatives | |
| 8. | Announcements and Public Comment | Andrea Joseph |
| 1:50 | ▪ Child Care Planning Committee Membership Recruitment – 2014-15 | |
| 9. | Call to Adjourn | Richard Cohen |

Next Meeting

Center for Healthy Communities at The California Endowment
1000 N. Alameda St., Catalina Room
Los Angeles, CA 90012

MISSION STATEMENT

The mission of the Child Care Planning Committee is to engage parents, child care providers, allied organizations, community, and public agencies in collaborative planning efforts to improve the overall child care infrastructure of Los Angeles County, including the quality and continuity, affordability, and accessibility of child care and development services for all families.

This page intentionally blank



County Child Care Planning Committee
Los Angeles County Community Development Commission
700 West Main Street, Conference Room Babe Ruth A&B
Alhambra, CA 91801



Meeting Minutes – April 2, 2014

Members in Attendance: (28) Rachelle Pastor Arizmendi, Rocio Bach, Darlene Cabrera, Ana Campos, Edilma Cavazos, Richard Cohen, Teresa Figueras, Mona Franco, Andrea Joseph, Jennifer Kuida, Terri Lamb, Ritu Mahajan, Cyndi McCauley, Patricia Moreno Pascover, Laurel Parker, Dianne Philibosian, Nora Garcia-Rosales for Nurhan Pirim, Ancelma Sanchez, Judy Sanchez, Kathy Schreiner, Janet Scully, Sarah Soriano, Fiona Stewart, Holli Tonyan, Tryuen Tran, Jenny Trickey, Lisa Wilkin and Carolyn Wong

Guests and Alternates: Monica Arellano-Tello, Robert Beck, Carolyn Brennan, Steve Erwin, Jan Fish, Edith Garcia, Lupe Granados, Karla Pleitez Howell, Pamela Kwok, Joyce Robinson, and Connie White

Staff: Michele Sartell

I. Welcome and Introductions

Richard Cohen, Chair, opened the meeting at 12:10 p.m. He welcomed members and guests and requested self-introductions.

Richard commented on big proposals underway for early care and education, each presenting tremendous opportunities matched with potential barriers, all of which requires careful examination. He reflected on the ebbs and flows of early care and education over the years that have at times created a false dichotomy separating the early years from primary education. Richard suggested that as a framework for the meeting discussions, thought be given to strategies needed to break down artificial barriers and the experiences of parents and their children.

II. Approval of Minutes

The Chair called for a motion to approve the minutes from March 7, 2014. Lisa Wilkin made the motion to approve; the motion was seconded by Sarah Soriano. The motion passed by the members present, with Rachelle Pastor Arizmendi abstaining.

III. Public Policy Report

Lisa Wilkin referred members to their meeting packets for copies of the following items: draft analysis of AB 1902 (Bonta); a letter dated to the Assembly Member Mark Stone, Chair of the Community on Human Services expressing the Los Angeles County Board of Supervisors support of AB 1454 (Calderon); and an analysis of SB 837 (Steinberg).

Lisa reported that on Wednesday, April 9th the Joint Committee on Legislation will present AB 1902 to the Policy Roundtable for Child Care and Development (Roundtable) with the suggestion that the Roundtable forward a recommended position of support to the Board of Supervisors. AB 1902, if passed, would eliminate parent fees for the part-day California State Preschool Program that was imposed as of budget year 2012-13. The bill is sponsored by the California Child Development Administrators Association and the California Child Care Coordinators Association.

On April 9th, the Roundtable plans to engage in a deeper discussion on SB 837 (Steinberg), the same day the bill is scheduled for a hearing by the Senate Committee on Education. Because this bill is amassing significant attention, it was suggested that it be added to the list of State Legislation

of County Interest, however without a recommended position. Lisa noted that SB 1123, introduced as the companion bill by Senator Liu, has been amended to eliminate parent fees for part-day State Preschool. While this is a dramatic departure from the original bill that expressed intent to enact legislation to establish the California Strong Start program as a redesign of the General Child Care Program, reports suggest that the bill was amended to meet the timeline to be heard on the same date as SB 837. It is expected to be amended again soon.

Author's note: SB 1123 was amended on April 2, 2014 and contains both amendments and additions to sections of the Education Code pertaining to Child Care and Development Services. In addition to proposing the elimination of fees for part-day State Preschool, the bill proposes changes to child care and development services for children from birth to their third birthday by recasting General Child Care as California Strong Start and specifying comprehensive services. Other program changes also are proposed in the bill.

Lisa reported that the County has adopted a position in support of AB 1454, which would require community care facilities to be subject to annual unannounced visits by the California Department of Social Services (CDSS), instead of at least once every five years as required under current law, and require CDSS to conduct more frequent unannounced visits under certain circumstances, including when the licensee is on probation. Lisa noted that the bill would impact all licensed facilities, including child development centers and family child care homes as well as foster homes, and day and residential facilities for the elderly. The Assembly Budget Subcommittee on Health and Human Services was scheduled to hear items relating to Community Care Licensing during today's meeting.

Referring to the matrix of state legislation updates and sent via e-mail on Tuesday, April 1, 2014, Lisa mentioned two bills that may be of interest: AB 1444 (Weber) would require all children to complete a year of kindergarten before being admitted to the first grade; and AB 1719 (Weber and Buchanan), which would require school districts to offer full-day kindergarten. Upcoming, the Senate Joint Hearing Budget and Fiscal Review Subcommittee No. 1 on Education and Subcommittee No. 3 on Health And Human Services will consider child care and development items on Thursday, April 10, 2014.

IV. Report from the Roundtable for Child Care and Development

Michele Sartell, staff to the Child Care Planning Committee (Planning Committee), provided a brief report on behalf of Karla Pleitez Howell, the Planning Committee's liaison to the Policy Roundtable for Child Care and Development (Roundtable). Karla represents the Roundtable on the First 5 LA Commission, which has launched a process for developing its strategic plan for 2015-20. Pending integration into the work plan and timeline are opportunities for community input, which may entail a survey of the Best Start communities and others in May/June of this year and then focus groups, some of which may occur with existing bodies, in late summer/early fall. First 5 LA will be invited to use the Planning Committee as a focus group to help inform the strategic plan.

V. Developing an ECE Credential: Presentation on the Efforts Underway by the California Commission on Teacher Credentialing-Appointed Task Force Group on Appropriate Preparation of ECE Teachers

Jan Fish, Ed.D., PEACH Consultant, Los Angeles Universal Preschool (LAUP) County ECE Workforce Consortium and California State University, Northridge (CSUN) Professor Emeritus presented work underway by the Commission on Teacher Credentialing (CTC), which has convened an Early Care and Education (ECE) Stakeholders group to explore an Appropriate Preparation and Licensing for ECE Teachers. The group is considering a continuum that addresses children from birth to eight years old and utilizes existing tools inclusive of the Infant-Toddler and Preschool Foundations as well as Common Core State Standards. Consistency with standards established by

the National Association for the Education of Young Children also is a priority. Dr. Fish's presentation is available as part of the meeting packet posted on the Office of Child Care website at www.childcare.lacounty.gov; click on About Us and then the Child Care Planning Committee to access meeting materials.

Discussion focused on what is needed to move the process of establishing an ECE credential forward. It is unclear whether advocating for legislation is the best strategy. The first step is creating a commitment to a continuum from birth to eight years old. Work is underway to design the ECE credential that also attends to dual language learners, parent engagement, language acquisition and literacy among other issues, however the work is very preliminary and the timeline for achieving a proposed construct for the ECE credential is at least two years away. A couple of members noted that there was an ECE credential at one time with the focus on pre-k to kindergarten, however legislation ended it.

At the close of the presentation by Dr. Fish, it was mentioned that the Workforce Work Group planned to deepen the conversation on the efforts to develop an ECE credential.

VI. Low Income Investment Fund (LIIF): Investing in What Works in Early Care and Education

Joyce Robinson, Program Officer with LIIF and the LA ECE Bridge Fund distributed folders containing information on LIIF. LIIF is a national community development financial institution that creates pathways of opportunities for low-income people and their communities. Investments are targeted to making positive impacts on housing, child care, education, health and transportation. Joyce spoke about the LA ECE Bridge Fund, which is a collaboration that includes investments from the California Community Foundation and First 5 LA with LIIF as the administrator of the funds. The purpose is to provide no interest recoverable grants to California Department of Education contractors to bridge the gap in contract payments. The program also offers technical assistance workshops designed to provide the tools needed for contractors to maximize and earn their contracts. Joyce announced upcoming orientations scheduled for April. Applications for the grants are due on Friday, May 9, 2014.

VII. Announcements and Public Comment

- Recruitment of Planning Committee members for 2014-15 is underway. Members who plan to continue and non-members were encouraged to submit their applications by the deadline of May 8, 2014.. Applications are available on the Office of Child Care website at www.childcare.lacounty.gov. It was noted that omitted from the application is the following work:

LPC "One Voice Workgroup" – Promotes working together to help create key messages to demonstrate that the early care and education community has a strong and united advocacy voice. To do this, the workgroup will develop a tiered process that incorporates key early care and education issues, local policy, and administrative issues in discussions and in making policy recommendations. This group meets on an ad hoc basis. (*LPC = Local Planning Council).

- The Office of Child Care is now accepting requests for the Temporary, Voluntary Transfer of Funds (TVTF) from programs holding contracts with the California Department of Education/Early Education and Support Division (CDE/EESD) and anticipating under- or overearning their contracts for 2013-14. A flyer was made available; more information and the TVTF Request Form are available from the Office of Child Care website at www.childcare.lacounty.gov.

Lisa mentioned that there is another process for transferring contract funds without going through the TVTF. She added that relinquishing funds through TVTF does not shield an organization from a contract reduction in the next year.

- The California Association for the Education of Young Children Annual Conference and Expo is scheduled for April 3-5, 2014 in Pasadena. More information is available at www.caeyc.org.
- An El Día de los Niños event, coinciding with the celebration of Week of the Young Child, is scheduled for April 26th at Belvedere Park. Flyers will be circulated via e-mail. The sponsoring organizations are seeking sponsors for booths offering hands on activities.

VIII. Adjournment

The Chair called for a motion to adjourn. Lisa Wilkin made the motion; Sarah Soriano seconded the motion. The meeting was adjourned at 2:00 p.m.

Re-envisioning the Early Care and Education System

PUBLIC POLICY PROPOSALS AND INITIATIVES

Challenges and Opportunities



Prepared on behalf of the Los Angeles County Child Care Planning Committee
May 7, 2014

Hmmmm.....

- Are public policies shaping the system or is the system shaping public policy decisions?
- Are proposed policies (federal and state budget agendas, legislation, administrative changes) moving us closer to our vision?
- What about the child? What about the family?

And....

- For whom are we advocating?
 - The County...?
 - Our organizations...?
 - Our profession(s)...?
 - Children...Families...?

A starting point

- Planning Committee and Roundtable's Public Policy Platform
 1. Quality ECE for all children from birth through 12
 2. Quality Rating and Improvement System
 3. An educated and highly skilled professional workforce
 4. Robust licensing system to ensure health and safety
 5. Affordable and adequately funded subsidy system
 6. Streamlined system to facilitate access for low-income families
 7. Adequate supply supported by city and county general plans
 8. No fraud
 9. Consistent access for vulnerable families

Big ticket items...State

- SB 837 (Steinberg) – Transitional Kindergarten
- SB 1123 (Liu) – California Strong Start
- Restructuring California's Child Care and Development System (LAO proposal)

Significant incremental steps...

- AB 1454 (Calderon) – annual licensing visits
- AB 1902 (Bonta) – elimination of fees for part-day State Preschool
- AB 2125 (Ridley-Thomas) – Reimbursement rate reform



Federal invitation to play...

- Proposed new regulation to the Child Care and Development Fund
 - Child Care and Development Block Grant
- Early Head Start-Child Care Partnerships
- Preschool Development Grants
- Race to the Top-Early Learning Challenge
- Resources for Ensuring Quality

Let's talk....SB 1123

- Priority for the CSPP to 4 year olds not enrolled in TK before 3 year olds
- 4 year olds enrolled in TK eligible for supplemental education and child care through CSPP if eligible for other subsidy programs
- General Child Care renamed "California Strong Start"
 - Services specified for children from birth to 3rd birthday

SB 1123 continued

- Services to children birth to 3rd birthday may include:
 - Parent engagement and support services
 - Part- and full-day early learning and care services
 - Voluntary home visitation
 - Nutrition services
 - Referrals to health and social services
- Supplemental grants
 - Family Engagement Supplemental Grant
 - Voluntary Home Visitation Supplemental Grant

SB 1123 continued

- Eligibility continuous for one full program year
- Revises staffing ratios and group sizes
- Requires CTC to review and amend Child Development Permit Matrix



SB 1123 continued

- Increases adjustment factors for infants and toddlers
- Eliminates family fee for part day CSPP



Keep talking....LAO Proposal

- Access
- Standards
- Payments
- Administration



Want to continue the conversation?



Michele Sartell
Program Specialist
Office of Child Care/SIB/CEO
msartell@ceo.lacounty.gov • 213.974.5187



This page intentionally blank

Assembly Bill 2125

EARLY CARE AND EDUCATION: WORKFORCE DEVELOPMENT

VERSION DATED 4.10.2014

Assemblyman Sebastian Ridley-Thomas 54th District

SUMMARY

Assembly Bill 2125 would establish a single statewide reimbursement system for the system of child care and development services for children within California. The measure also requires the reimbursement rate to reflect the actual current cost of care in each region per unit of average daily enrollment for a 250-day year.

BACKGROUND

Brain development and neuroscience research have demonstrated that the experiences of a child's early years have a large influence on later social, emotional, educational, and economic outcomes. Eighty percent of a child's brain development occurs by age 3 and 90% occurs by age 5, but unfortunately our current funding priorities for education do not reflect that fact. Children who attend quality Early Care and Education programs (ECE) are more likely to read proficiently at grade 3, which is a crucial marker for a child's chances for graduating high school and attending college.

In 2013, the California State Assembly overwhelmingly resolved to support Assembly Concurrent Resolution 45 and its stated efforts to restore funding for ECE along with funding and implementing the Quality Rating and Improvement System.

A stable, well-qualified, and well compensated early care and education workforce is necessary for the existence of high-quality early care and education programs. These programs constitute a critical foundation for improving our nation's educational system and providing the early experiences that equip children to succeed socially, emotionally, educationally, and economically later in life. The strong connection between quality ECE programs and the state's economic growth highlight the need for a sound public investment strategy to secure California's economic future. ECE also enables working parents to effectively function in the workforce, improving worker productivity, decreasing absenteeism, and reducing worker turnover.

Currently, the average pay of a preschool teacher (\$34,240 annually) is nearly one-half that of a Kindergarten teacher's salary (\$63,940.) The California child care worker median wage (\$11.97/hour) is at the same level of food processing workers (\$11.34/hour), and the California preschool teacher median wage (\$15.77/hour) is barely more than a first-line food preparation supervisor (\$14.03/hour).ⁱⁱ

The current staffing model leads to high ECE teacher turnover rates of 22%, which is twice that of California public school K-12 teachers, providing little incentive for the ECE workforce to engage in additional workforce development and education.ⁱⁱⁱ A stable, well-trained and educated workforce requires skilled employees with the low rates of turnover that other, appropriately compensated, professions provide.

Working class families rely on quality, trusted child care options to take care of their families. Unfortunately, recent budget cutbacks over the past 6 years have devastated the availability of quality ECE for families.

Subsidized child care programs in California have been reduced by over 100,000 child care slots since 2008-2009, affecting every region of the state. From 2008 to 2011, the 54th assembly district alone lost over 1,400 child care seats due to budget cuts. The losses were disproportionate, as those losses were nearly 17% of the losses in Los Angeles County, even though the 54th Assembly district only has 5% of LA County's residents.^{iv} Stanislaus County lost more than 34% of its licensed child care capacity, while counties as diverse as Fresno, Sacramento, Alameda and, Imperial County each lost between 5% and 10% of licensed spaces.

Along with the cutbacks in access, quality requirements have increased, while per-child reimbursement rates for programs have been frozen for the better part of a decade. The maximum standard reimbursement rate for center based programs, like State Preschool, has been \$34.48 per child day of enrollment since 2007. While the cost-of-living continued to go up, ECE

educators have been expected to increase their skills without an increase in pay^v.

The current child care reimbursement system has been built over time as these programs evolved in California. The structure splits the system into two distinct reimbursement structures, the Standard Reimbursement Rate (SRR) for Title 5 Contracted Center Based Programs and the Regional Market Rate (RMR) for Alternative Payment and CalWORKs child care programs. These split structures have caused many challenges in the overall child care and early learning delivery system and made it difficult to implement comprehensive rate reform, increases and tiered reimbursement structures. The SRR, which receives increases through a cost of living (COLA) process, has remained stagnant since 2007 despite COLA increases having been applied to the K-12 system. The RMR is based on a market rate survey required by Federal regulations and is conducted every two years through the Department of Education. The RMR rates remain at the 2005 level.

The objectives of AB 2125 are to:

- Raise the compensation of the ECE workforce along the entire birth through age 5 continuum.
- Reduce the pay gap between the 0-3 ECE workforce and the transitional kindergarten workforce that could result in a talent drain to those programs.
- Strengthening the financial status of ECE providers who may not be able to participate in the Transitional Kindergarten program, but which will serve children 0-3, or provide “wrap-around” child care for working parents.

AB 2125 is the next step toward building a better reimbursement system for child care and early learning programs throughout California. AB 2125 would accomplish this by merging the two existing rate structures into a single reimbursement system that maintains both child care options and reflects the actual current cost of care in each region/county with a base at the 85th percentile level.

EXISTING LAW

- Existing law establishes a system of child care and development services for children from infancy to 13 years of age and provides certain requirements for the payment by the state for these child care and development services. Existing law requires the Superintendent of Public Instruction to implement a plan that establishes reasonable standards and assigned reimbursement rates, as provided, and requires the standard reimbursement rate to be \$3,523 per unit of average daily enrollment for a 250-day year, increased by the cost-of-living adjustment granted by the Legislature.
- Existing law requires the plan to require agencies having an assigned reimbursement rate above the current year standard reimbursement rate to reduce costs on an incremental basis to achieve the standard rate and requires the plan to provide for adjusting reimbursements on a case-by-case basis, as provided.
- Existing law applies various adjustment factors to specified programs for which reimbursement rates are at or below the standard reimbursement rate, as provided.
- Existing law authorizes programs above the standard reimbursement rate to be considered on a case-by-case basis for rate adjustments due to documented increases in insurance costs.
- Existing law requires the cost of child care services provided to CalWORKs recipients to be governed by regional market rates.
- Existing law requires regional market rate ceilings to be established at the 85th percentile of the 2005 regional market rate survey for that region.

THIS BILL

- This bill would delete requirements relating to currently assigned reimbursement rates and reimbursement adjustments.
- The bill would delete references to the standard reimbursement rate and instead would require the reimbursement rate to reflect the actual current cost of care in each region per unit of average daily enrollment for a 250-day year.
- This bill would delete the requirement that the adjustment factors apply to specified programs for which reimbursement rates are at or below the standard reimbursement rate.
- This bill would delete the provision that authorizes programs above the standard reimbursement rate to be considered on a case-by-case basis for rate adjustments due to documented increases in insurance costs.
- This bill would establish the market rate ceiling at the 85th percentile of the current regional market rate survey for that region for determining the cost of child care services provided to CalWORKs recipients.

SUPPORT

California Child Development Administrators Association (Co-Sponsor)
California Child Care Resource & Referral Network (Co-Sponsor)
Northern Director's Group
Child Care Alliance of Los Angeles
Greater Sacramento Urban League
California Association of Urban League Executives

ⁱ Human Capital: The Key to Los Angeles' Long-Term Prosperity, William Yu, Economist, UCLA Anderson Forecast, March 2013
http://www.eceworks.org/sites/all/files/UCLAForecast_March2013_DrYu.pdf

ⁱⁱ US Department of Labor, Bureau of Labor Statistics, May 2013. Assembly Joint Budget Hearing Subcommittee No. 1 and No. 2, March 20, 2013.

ⁱⁱⁱ California Early Care and Education Workforce Study: Licensed Child Care Centers and Family Child Care Providers, Statewide Highlights July 2006, CSCCE UC Berkeley, California R&R Network.

^{iv} <http://www.savemyseatla.org/>, Assembly District 54. Assembly Joint Budget Hearing Subcommittee No. 1 and No. 2, March 20, 2013.

^v <http://www3.cde.ca.gov/rcsccl/>, <http://www.cde.ca.gov/sp/cd/op/factsheet07.asp>
Legislative Analyst's Office: Restructuring California's Child Care and Development System, April 4, 2014.

This page intentionally blank

SB 1123: Early Learning: The Strong Families, Strong Children Act
Senator Carol Liu, 25th District
As Amended April 3, 2014

SUMMARY

SB 1123 (Liu) will:

- Expand access for low income infants, toddlers, and their parents to quality early learning and parental support services.
- Expand access to full day, full year wrap around state preschool.
- Rename the General Child Care for infants and toddlers program “Strong Start for Children and Families” services.
- Allow for a choice of program delivery options to meet the unique needs of families—including child care, voluntary home visitation, and evidence-based family engagement and support services.
- Increase quality standards and the adjustment factors of California State Preschool and Strong Start, relative to the existing General Child Care for infants and toddlers program.
- Eliminate the family fee for part-day state preschool.
- Allow children’s eligibility in child care and development programs to be annually determined, supporting continuity of care by ensuring children do not lose services mid-year.

BACKGROUND

The first three years of life are a period of dynamic and unparalleled brain development in which children acquire the ability to think, speak, learn, and reason. During these first 36 months, children need good health, strong families, and positive early learning experiences to lay the foundation for later school success. Low income infants and toddlers are at greater risk for a variety of poorer outcomes and vulnerabilities, such as later school failure, learning disabilities, behavior problems, developmental delay, and health impairments.

Existing state law requires the Superintendent of Public Instruction to administer child care and development programs, including the General Child Care and Development program that provides services to eligible low income children birth to 13 years of age. For children birth to three years old, the General Child Care program funds centers and family child care home networks to provide full-day, full year child care and development services that meet the Department of Education’s Infant/Toddler Learning and Development Foundations. Since 2009, the number of children served has dropped from over 18,000 to 10,000.

The most effective way to help infants and toddlers is to promote positive parent-child relationships. Currently, California’s child care and development programs lack many of

the parent education and support services other evidence based models such as Early Head Start, voluntary home visitation, and the Positive Parenting Program provide.

The federal Early Head Start program serves low income infants and toddlers with a flexible program model intended to meet the varied needs of families, including child care and development services, family engagement and support, home visitation services, and health services. Research shows that children who participated in Early Head Start had significantly larger vocabularies and scored higher on standardized measures of cognitive development. Additionally, children and parents participating in the program had more positive interactions; enrolled parents provided more support for learning.

Many different home visiting programs have been shown to significantly reduce the occurrence of child maltreatment and abuse, and improve children’s health and school success. Parent training programs, such as the Positive Parenting Program, have shown significant reductions in child abuse and neglect as well as improvements in school readiness, health and wellbeing.

SOLUTION

SB 1123 (Liu) increases access to infant and toddler care, family support services, and full day state preschool services by directing the projected \$350 million cost savings created by an expansion of the existing transitional kindergarten program to programs that serve children age birth to three years of age. SB 1123 also provides providers with choices that enable greater funding flexibility and allow services to be tailored to fit community needs.

SUPPORT

Early Edge California (sponsor)
Children Now
California Alliance of Child and Family Services

OPPOSITION

None on file

CONTACT:

Darcel Sanders, Legislative Aide
(916) 651-4025
darcel.sanders@sen.ca.gov

This page intentionally blank

Restructuring California's Child Care and Development System



MAC TAYLOR • LEGISLATIVE ANALYST • APRIL 4, 2014

LAO 

www.lao.ca.gov/reports/2014/education/child-care/restructuring-child-care-system-040414.pdf

AN LAO REPORT

EXECUTIVE SUMMARY

California's Child Care and Development System Serves Approximately 300,000 Children.

California dedicates approximately \$2 billion annually to subsidized child care and development programs. The state provides about 60 percent of this funding, with the federal government covering about 40 percent. (Revenue from family fees comprise a very small share of total funding.) California's subsidized system serves approximately 300,000 children. Generally, the state's subsidized programs are intended to enable low-income parents to work while also helping maximize the growth and development of their children. To be eligible for subsidized programs: (1) families must earn less than 70 percent of state median income (SMI), (2) children must be under the age of 13, and (3) parents must be working (with the exception of the State Preschool program).

Current System Has Several Serious Design Flaws. We believe California's child care and development system has four major shortcomings.

- ***Similar Families Have Different Levels of Access.*** In the current system, California Work Opportunity and Responsibility to Kids (CalWORKs) families and certain former CalWORKs families are guaranteed services, whereas other low-income, working families that have never accessed CalWORKs are prioritized based on income. As a result, long waiting lists exist for non-CalWORKs families, with many eligible families never receiving care. Moreover, some former CalWORKs families that now effectively are guaranteed child care benefits for as long as they remain under the income cap and their children remain under the age cap have higher incomes than other eligible, low-income families that never receive even a single year's worth of child care benefits.
- ***Similar Families Have Different Amount of Choice in Selecting Care.*** CalWORKs families (and some other non-CalWORKs families receiving vouchers) can choose from a variety of providers—selecting care that best fits their needs. Other non-CalWORKs families, however, can only access child care at specific locations that contract directly with the California Department of Education (CDE).
- ***Similar Families Provided Different Standards of Care.*** The standard of care also varies based upon the type of subsidy a family receives. Those families receiving vouchers generally have access to providers that meet only health and safety standards, whereas those families receiving direct-contracted services have access to providers that meet health, safety, and developmental standards.
- ***State Has Higher Reimbursement Rate for Lower Standard of Care.*** In 19 counties, the state pays more to providers that are subject only to health and safety standards than to providers subject to health, safety, and developmental standards.

Recommend Restructuring System

Child Care and Development System in Need of Comprehensive Restructuring. Given these serious problems with the current child care and development system, we recommend the Legislature

fundamentally restructure the system. We lay out a plan for a new, simplified, and rational system. Overall, the restructured system could be implemented with little, if any, additional cost. The new system would:

- ***Provide Similar Levels of Access to Most Low-Income Families.*** We recommend the Legislature continue to prioritize families new to CalWORKs for child care subsidies, as these families are likely to be among the most vulnerable families eligible for care. In order to provide greater access to eligible families, however, we recommend setting time limits on subsidized child care for all families. Providing eligible families six to eight years of child care would give them time to become more economically stable, while expanding services to approximately 35,000 additional families.
- ***Provide Similar Levels of Choice.*** We recommend the Legislature provide all eligible families similar levels of choice by providing subsidies primarily through vouchers. As a result, families currently limited to care in specific locations could choose the provider that best fits their needs. (Because of the manner in which local educational agencies [LEAs] generally are funded and the benefits of connecting families to the broader K-12 system, we recommend the Legislature make an exception to the voucher-based system and continue to have CDE contract directly with LEAs for preschool.)
- ***Require Developmentally Appropriate Care for Children Birth Through Age Four.*** We recommend requiring all child care providers serving children birth through age four to provide developmentally appropriate care. We recommend the Legislature direct CDE to develop standards that are similar to existing requirements for direct-contracted programs but modified to reduce some programmatic and administrative burden. In addition, we recommend the Legislature direct CDE to develop a monitoring system to ensure programs meet the new standards. Lastly, we recommend the Legislature update reimbursement rates to reflect the new standards.

Roadmap to New System. Since a fundamental restructuring would require significant changes, we provide the Legislature a roadmap by which it could consider incrementally moving to this new system. In the first year, we recommend the Legislature update the reimbursement rates based on current data and determine the time limit for services. In the second year, we recommend the Legislature adopt new standards for programs serving children birth through age four, but wait until year four to require all providers to meet the new standards. In year four, we recommend the Legislature align the reimbursement rates to ensure families have access to providers meeting the new standards. By year five, families would access subsidized child care through vouchers, with the exception of LEA preschool programs. The five-year roadmap assumes no additional resources are provided for the restructured system. If the Legislature appropriated additional resources, it could implement certain components of the new system more quickly.

Figure 9
Summary of Recommendations

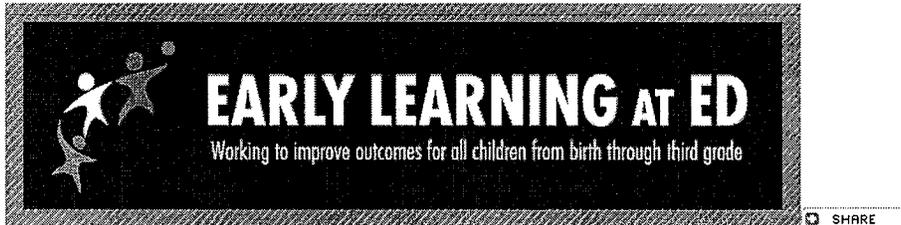
Access
<ul style="list-style-type: none"> ✓ Priority. Continue to give families new to CalWORKs priority for subsidized child care. Guaranteeing child care for these families helps overcome a key barrier to employment. ✓ Time Limit. Cap number of years families may receive subsidized child care. Set time limit between six and eight years. (Allows more low-income families to benefit.) ✓ Choice. Give families similar levels of choice in selecting care. Allow families to choose among licensed centers and family child care homes (FCCHs) as well as license-exempt providers. ✓ Service Levels. Provide similar levels of access across the state. Reestablish CELs.
Standards
<ul style="list-style-type: none"> ✓ School Readiness for Four-Year-Olds. Require centers and FCCHs serving low-income four-year-olds to include educational components for three hours per day. Require families to opt-out of licensed care. ✓ Developmentally Appropriate Activities for Children Birth Through Age Three. Require centers and FCCHs serving children birth through age three to provide developmentally appropriate activities for three hours per day. ✓ Health and Safety for School-Age Children. Repeal Title 5 requirements for school-age children but retain Title 22 health and safety standards.
Payments
<ul style="list-style-type: none"> ✓ Vouchers. Subsidize child care primarily using vouchers. Continue to contract directly with LEAs, however, for preschool. ✓ New Rate Structure. Rather than 58 unique county rates, provide three rates based on cost of care in low-, medium-, and high-cost counties. Use a standard reimbursement rate for LEAs. ✓ Rates by Age. Provide highest reimbursement rate for infants/toddlers, next highest rate for preschool-aged children, and lowest rate for school-aged children. ✓ Update Rates. Assuming total funding remains the same, new reimbursement rates would reflect 70th percentile of most recent (2012) regional market survey. ✓ Future Rate Adjustments. Update reimbursement rate in order to meet standards described above.
Administration
<ul style="list-style-type: none"> ✓ CalWORKs. Merge CalWORKs child care Stage 1 and Stage 2 into one program and administration to the Department of Social Services. ✓ New CalWORKs Child Care Grant. Remove child care funding from counties' single allocation and create new child care grant. ✓ Monitoring. Develop regional system to monitor programs serving children birth through age four.

CELs = Centralized Eligibility Lists and LEA = local educational agency.

This page intentionally blank

Michele Sartell

From: U.S. Department of Education <ed.gov@public.govdelivery.com>
Sent: Tuesday, May 06, 2014 4:17 AM
To: Michele Sartell
Subject: DATE CORRECTION Executive Summaries Now Posted for New Preschool Development Grants Competition



**Public Comment Sought for
New Preschool Development Grants Competition**

**Executive Summaries Now Posted for
Development Grants and Expansion Grants**

Comment Period Open until Friday, May 16, 2014

The Consolidated Appropriations Act, 2014 (Appropriations Act) provides \$250 million for a new competition to support efforts to build, develop, and expand voluntary, high-quality preschool programs. The Preschool Development Grants competition will be jointly administered by the U.S. Departments of Education and Health and Human Services (ED, HHS, or Departments). Competition requirements, priorities, and selection criteria will be developed consistent with the language in the Appropriations Act and accompanying report language, which can be found here.

The Preschool Development Grants competition will prepare more States to become ready to participate in the proposed Preschool for All program in the Department of Education's FY2015 budget request. Recent and longstanding research indicates that children who attend high-quality preschool

programs achieve significant, positive short- and long-term outcomes, and the return on investment that results from attending high-quality preschool programs is overwhelmingly clear. There is tremendous unmet need for high-quality early learning programs. Only 40 percent of eligible children have access to Head Start. Less than one-third of all four-year-olds are enrolled in State-funded preschool programs.

States and communities are looking for ways to expand access to high-quality early learning opportunities. Last year, 30 governors from both parties increased funding for preschool in their State budgets. Preschool Development Grants can help States and communities meet their goals and the needs of families and children.

All States, the District of Columbia, and Puerto Rico will be eligible to apply, if they wish, for one of two proposed types of discretionary grants: Development Grants and Expansion Grants. States with small or no State-funded preschool programs will be eligible to apply for Development Grants. States that have more robust State-funded preschool programs *or* that have been awarded a Race to the Top – Early Learning Challenge grant will be eligible to apply for Expansion Grants. We intend for high-quality preschool programs to be located in regionally diverse communities or consortia of communities in cities, towns, counties, neighborhood, districts, rural or tribal areas, with a high level of need or distress as determined by the State. Preschool programs funded under either category of the Preschool Development Grants will need to meet the competition's criteria for high-quality preschool programs. Other preschool programs within the State will not be required to meet these criteria.

In order to run a rigorous competition and obligate funds to grantees before the December 31, 2014, statutory deadline, we will waive rulemaking for this new program, pursuant to authority in section 1232(d)(1) of the General Education Provisions Act. However, we are interested in your input on major elements of the program, and already have received over five hundred comments on our Web site pertaining to the new competition.

We have considered these ideas, suggestions, and comments in developing the *draft* requirements, priorities, selection criteria, and definitions in the executive summary for each of the Development Grants competition and the Expansion Grants competition, which are now posted for review and comment by the public. In commenting on these documents, we encourage potential applicants to identify potential barriers and challenges that may impede implementation of an ambitious and achievable, high-quality State plan.

These documents will be posted for public input until **5:00 PM**

EDT on Friday, May 16, 2014, at which time the input section will be closed and we will begin considering comments received as we develop final requirements, priorities, selection criteria, and definitions. We will also be holding a webinar to review the executive summaries. Further information will be posted on the [Preschool Development Grant Web page](#). We will publish these requirements, priorities, selection criteria, and definitions in a notice inviting applications in the *Federal Register* later this summer.

Click the links below for [Development Grants Executive Summary](#) or [Expansion Grants Executive Summary](#) and download and read the executive summary. On the chosen Executive Summary page, scroll to the bottom, and “Leave a Comment.” Please note that the Application Requirements, Program Requirements, and Definitions are the same for both Executive Summaries. In these and additional areas where the language is the same, you do not need to make your comments in each Executive Summary (Development Grants and Expansion Grants). Please indicate in your comments the area in which you are addressing.

Development Grants Executive Summary

A Development Grant is to support a State with a small or no State-Funded Preschool Program to—

- Develop or enhance preschool program infrastructure and capacity to deliver High-Quality Preschool Programs; and
- Implement and sustain High-Quality Preschool Programs to reach and serve additional Eligible Children in one or more High-Need Communities.

Expansion Grants Executive Summary

An Expansion Grant is to support a State with a State-Funded Preschool Program *OR* that has received a Race to the Top – Early Learning Challenge grant to—

- Implement and sustain High-Quality Preschool Programs to reach and serve additional Eligible Children in two or more High-Need Communities; and
- Enhance preschool program infrastructure and make quality improvements to deliver High-Quality Preschool Programs.

Again, thank you for your interest in this opportunity to support early learning. We look forward to hearing from you.

Sign up to get our email updates at

www.ed.gov/early-learning
Now over 17,000 subscribers!



Questions?
[Contact Us](#)

STAY CONNECTED:



SUBSCRIBER SERVICES:

[Manage Preferences](#) | [Unsubscribe](#) | [Help](#)

This email was sent to msartell@ceo.lacounty.gov by U.S. Department of Education ·
400 Maryland Ave · Washington DC 20202 · 800-USA-LEARN

