Policy Roundtable for Child Care

222 South Hill Street, Fifth Floor, Los Angeles, CA 90012
Phone: (213) 974-4103 • Fax: (213) 217-5106 • www.childcare.lacounty.gov

MEETING MINUTES

June 10, 2009
10:00 a.m. – noon
Kenneth Hahn Hall of Administration
500 West Temple Avenue, Conference Room 140
Los Angeles, California 90012

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1. WELCOME AND INTRODUCTIONS

Mr. Duane Dennis, Chair of the Policy Roundtable for Child Care (Roundtable), opened the meeting at 10:10 a.m. Members and guests were welcomed and invited to introduce themselves.

a. Comments by the Chair

Mr. Dennis announced happy news:

- Mr. Adam Sonnenshein is at the hospital with his wife who has gone into labor. They are expecting a baby daughter.

- Ms. Arlene Rhine and her husband are celebrating their 50th wedding anniversary.

On another note, Mr. Dennis acknowledged Ms. Joan McGowan's service to the Roundtable. Due to her inability to make most meetings, she has decided to decline reappointment.

b. Review of Minutes

- May 13, 2009

Ms. Maria Calix made a motion to approve the minutes as written; Mr. Matt Rezvani seconded the motion. The motion passed unanimously.

c. Report from the Nominating Committee

Ms. Rhine, providing the report on behalf of the Committee, relayed that invitations have been extended for potential chair and vice chair candidates. The Committee's recommendations for a slate will be sent to members via e-mail prior to and for consideration at the July retreat.

2. CHILD CARE AND DEVELOPMENT POLICY FRAMEWORK

- **Implementation of the Child Care and Development Policy Framework**

Ms. Kathy Malaske-Samu distributed draft copies of the memo, *Status Report on the Child Care Policy Framework*, addressed to the Board of Supervisors. The report summarizes accomplishments from January through June 2009, addresses the challenges presented by the State budget crisis, and outlines the focus for the next six months. A significant portion of the July retreat agenda will focus on the Policy Framework.

3. STEPS TO EXCELLENCE PROJECT (STEP)

- **Recommendations on Reporting STEP Scores**

Ms. Helen Chavez, STEP Coordinator, walked members and guests through a PowerPoint presentation focusing on the data that has been collected and aggregated based on the observations of 56 child care and development programs – centers and family child care homes – participating in STEP. The STEP rating results show that most of the rated programs have an overall rating of “2” or “3”. A small number have been rated at a “4”, one program rated a “1” and no programs rated a “5”. The STEP ratings by domain show that programs rated the lowest on staff qualifications and working conditions and identification and inclusion (averaging 1.95 and 2.79 respectively). Ratings for teacher-child relationships, learning environment, and family and community connections averaged between the low 3s and high 3s. Ms. Chavez also shared a slide that graphically displayed the ratings by quality elements; ratings below “3s” are indicated in the order from lowest to highest are staff qualifications, use of developmental screenings, accommodations for children with special needs, working conditions, scores on the Adult Involvement Scale, and special needs training.

There was some discussion on how STEP and the rating system used by Los Angeles Universal Preschool (LAUP) are aligned. Ms. Chavez pointed out that the primary difference is the comprehensiveness of the rating employed by STEP compared to LAUP. For example, LAUP measures and rates individual classrooms serving four year old children, whereas STEP is rating the entire program with priority to infant-toddler classrooms, particularly if the program also has an LAUP component. In addition, LAUP uses a rating scale that is essentially a subset of the system employed by STEP. Ms. Chavez mentioned that STEP accepts the LAUP score for the four year old classroom(s) in determining the program rating. Ms. Randi Wolfe of LAUP mentioned that LAUP will be revisiting their rating system within the year, looking at how and what it measures.

Other issues and concerns were raised by members in response to the results of the observations. With respect to participating programs with CDE contracts, it was firmly stated that if the CDE-contracted program is in compliance with their contract, the program would likely be rated a “3”, which should serve as their base level of quality. Furthermore, care should be taken in framing the STEP standards from whether programs are meeting Title 5 standards to the STEP standards are “nearly aligned with Title 5”.

Members agreed that as a pilot project, important data has been collected thus far, providing reason to look at the scoring system. On a systemic level, the data could be used to make a case for raising the bar at the local and state level for high quality child care and development and tackling the resources needed to support programs in making quality improvements. With STEP, the challenge is the limited resources available to help programs achieve quality – both in human and financial resources. However, and more urgently, is the next step relating to releasing the scores to the participants and publicly. Several suggestions were offered as follows:

- Meet individually with programs rated at levels lower than a “3”
- Be intentional in how to present and use the data, particularly considering the current budget climate and the challenges that this climate may be posing for programs
- Do not post the ratings publicly – this is a pilot; further, if the scores are not posted, there is no need for an appeals process
- Solicit feedback from the participants on the process – what works, what does not work
- Explore collaboration with other groups to address meeting participants needs for achieving higher levels of quality
  - Ms. Chavez mentioned that discussions are underway on partnering with other entities to address some of the training needs
- Dedicate more time for the Roundtable to fully understand the nuances of STEP, its implementation and the findings to date
- One person summed up the recommendations as follows:
  - Review the efficacy – are the results reflective of the field?
  - Explore collaborating with others for training, i.e. the R&Rs, LAUP, SCAEYC, the First 5 LA Workforce Initiative.
  - The pilot sites only reflect a snapshot and those willing to volunteer. There is a need for training across all child care and development programs, therefore how do we provide opportunities for all child care and development programs to participate in training and quality improvement activities?

Ms. Chavez and Ms. Malaske-Samu thanked members for the provocative discussion. Ms. Malaske-Samu added that STEP needs to move forward with giving the programs their results, although the results will not be posted publicly given the conversation. On the other hand, given the limited staffing for STEP, Ms. Chavez will proceed with the group question and answer sessions.

- **Proposal for Year 2 Funding**

Postponed to future meeting.

4. JOINT COMMITTEE ON LEGISLATION REPORT

Ms. Michele Sartell, staff to the Joint Committee on Legislation, opened the presentation of State budget issues for Roundtable discussion by reminding members and guests that the State is facing an estimated $24.3 billion deficit by July 1, 2009. To address the deficit, the Governor has issued three May revises, all containing major reductions in health, human services and education. He does not intend to issue proposals for new revenues. Ms. Sartell referred members to the handout, *Proposed Request for Pursuit of Position on State Budget Items,* as the guide for the presentation, discussion and recommended actions.

- **Recommendations from the Joint Committee**

A. Policy Changes and Reductions to Early Start

In April, the DDS submitted to the Assembly a package of 15 proposals for $100 million in cost containments, then submitted an alternative proposal to the Senate Among the proposals are three major changes impacting Early Start, which is California's early intervention program for infants and toddlers up to three yeas old with developmental delays or at risk for developmental delays.

1) Currently, an infant or toddler is eligible for early intervention services if the child is between birth and 36 months of age and shows signs of a developmental delay, is at risk for a developmental disability or may be at high risk for a developmental disability as determined by a multidisciplinary team.

   The proposed new policy would limit eligibility for Early Start services to infants and toddlers up to 24 months old considered at risk of a developmental delay, while children between 24 and 36 months considered at risk would not be eligible for Early Start. To receive services, infants and toddlers ages 24 months and older would need to be at the highest risk of a developmental disability, therefore showing a need for program services.

   Ms. Sartell relayed that the proposed cuts would mean that children may not receive the benefit of early intervention services, which may result in greater costs in the future both in the child's success at overcoming their delay and the burden on DDS and CDE special education for providing services over an extended period of time.

2) Currently, the family's use of private insurance is voluntary for evaluation, assessment and early intervention services. Families may select for their child to receive the services at no cost.

   The proposed new policy would require families to access private insurance to pay for early intervention services specified on the infant or toddler's Individual Family Services Plan (IFSP) that is medical in nature.

   Four organizations – California Supporting Living Network, The Arc of California, California Disability Services Association, and IDA California – have prepared a community alternative to reduce general fund impacts from Developmental Services in which they would support requiring the use of private insurance for young children as long as the process of securing the insurance is timely and does not result in delays or loss of service.

3) The DDS has also proposed expanding the use of neighborhood preschools for early intervention services.

   According to an analysis released by the Infant Development Association (IDA), Early Start is a targeted and intense intervention for infants and toddlers with or at risk of developmental delays or disabilities and their families. Services are provided in a variety of venues by a qualified multidisciplinary team of specialists based on the goals set forth in a formalized assessment that results in the IFSP. Preschools and their staff are not necessarily set up to provide intensive, therapeutic interventions.

Ms. Rhine made a motion and Mr. Terri Chew Nishimura seconded the motion to recommend the following pursuits of positions to the Board of Supervisors as follows:

- Oppose the proposed cuts to Early Start

- Support parents' using private insurance to pay for evaluation, assessment and early intervention services with the caveat that the use of private insurance should not act as a barrier to receiving the services

- Send a message that there is a severe shortage of programs that provide infant and toddler care and for the many of the programs offering care, staff are not trained to assess for or provide the intensive, therapeutic interventions needed by young children with developmental delays or disabilities. While the Roundtable values providing services for children in their natural environments, it is opposed to shifting early intervention services away from the Regional Centers.

B. Elimination of State Funding for Community Care Licensing

The Governor proposes to eliminate state General Fund support for Community Care Licensing (CCL) for a savings of $19.5 million in 2009-10 and $39 million thereafter. The result would be a combination of program reductions and fee increases. The proposal would increase application and annual fees for all program types licensed by CCL In addition, monitoring by CCL of all licensed facilities will be severely diminished; facilities would no longer receive annual and random inspections. However, CCL would continue to respond to complaints, follow-up on administrative actions and violations, conduct criminal background checks, and license new facilities.

The Governor's proposal also includes eliminating licensing of family child care homes (FCCHs), replacing it with a self-certification, complaint investigation and fingerprint check only program.

FCCH application and annual fees would increase by 50 percent, while application and annual fees would increase by 80% for most facilities, including child care and development centers as well as residential programs for children, and residential and day support programs for adults and the elderly.

Ms. Sartell reminded members that last year the County had taken a pursuit of position opposing the Governor's proposed reductions of random licensing inspections. In August, the Roundtable sent a strongly worded letter to the Board of Supervisors urging them to pursue a position against the budget cuts to Community Care Licensing. Moreover, the letter urged the Board to advocate for the necessary resources for strengthening licensing standards and enforcement to ensure child health and safety and guarantee a solid base for a quality rating and improvement system.

Due to the breadth of the proposed reductions to Community Care Licensing and the potential impacts on children and adults and the elderly in residential and day support programs, the Office of Child Care has engaged in preliminary discussions with the Department of Children and Family Services (DCFS) and the Department of Community and Senior Services (DCSS) to work together on a unified recommended pursuit of position.

Mr. Matt Rezvani made a motion that was seconded by Ms. Rhine to recommend to the Board of Supervisors a pursuit of position to oppose the elimination of State funds for Community Care Licensing. The motion passes unanimously.

Ms. Sartell will continue working with DCFS and DCSS on drafting the pursuit of position.

C. Elimination of California Work Opportunity and Responsibility to Kids (CalWORKs) Program

The Governor's May Revise proposes eliminating the California Work Opportunity and Responsibility to Kids (CalWORKs) Program, which provides cash assistance to eligible low-income families while participating in work activities that lead to self-sufficiency. According to the Administration, Temporary Assistance to Needy Families (TANF) is not a federal entitlement; therefore there is no federal requirement to maintain CalWORKs. If CalWORKs is eliminated, families would lose their cash grants, employment supports **and child care**.

On June 2, 2009, the Department of Finance (DOF) issued a memo outlining proposed amendments to budget items relating to child care and development under the CDE. Outlined in the memo is a plan for transitioning CalWORKs families currently receiving CalWORKs Stage 1, Stage 2 or Stage 3 Child Care to the AP Program. The Administration proposes to "allow families currently receiving services through the CalWORKs Stage 1, Stage 2 or Stage 3 Child Care to enroll in the AP on a priority basis in fiscal year 2009-10 only to ensure continuity of care for those parents who are currently employed." As such, the California Department of Education (CDE) and the Department of Social Services has estimated the costs to address the projected caseload. Subsequently, the Administration is proposing to shift 75% of the total needed, $634,820,000, to the AP program for the CalWORKs families. Approximately six percent of the total needed would be provided from supplemental one-time funds available under the American Recovery and Reinvestment Act (ARRA). The remaining funds are reallocations under the current budget. The amount of funds transitioned to the AP Programs for the CalWORKs families will be restricted to families meeting the following eligibility criteria: "a) is currently enrolled in the CalWORKs Stage 1, Stage 2, or Stage 3 program, b) is currently employed, and c) has a family income that does not exceed the income eligibility limits for subsidized child care programs." The AP Programs will not be required to use the centralized eligibility list to enroll families meeting the criteria.

Ms. Charlotte Lee of the Department of Public Social Services (DPSS) added that the County may already have or is working on a pursuit of position to oppose the elimination of CalWORKs, however has been silent on child care. Ms. Sartell will explore whether the County has adopted a position and if it addresses child care.

Other comments:

- The legislature has voiced their commitment to protecting CalWORKs
- Arguments that work are focused on economics and keeping people employed
- CalWORKs cycles money into the economy; if California eliminates CalWORKs, it is refusing a significant influx of funds from the federal government

Ms. Maria Calix made a motion to recommend to the Board of Supervisors a pursuit of position to oppose the elimination of the CalWORKs Stage 1, Stage 2 and Stage 3 Child Care. The motion was seconded by Mr. Whit Hayslip. The motion passed unanimously.

Ms. Sartell will work with DPSS on crafting the recommended pursuit of position.

D. Proposal to Increase Family Fees/Revise Family Fee Schedule

The 2009-10 Budget Bill signed in February includes the Administration's proposal to increase the fees for families receiving subsidized child care for a savings of $14.4 million. According to the 2009-10 Budget Conference Committee agenda for Education and Higher Education (June 4, 2009) families earning between $23,400 and $24,444 annually (for a family of three) would experience a doubling of their fees from $2 to $4 per day. Family fees would be comprised of 4.3% of their income, up from 2.3%. Mid-range families who pay 6% of their income would pay over 8%. Families at the highest income range (up to $44,664 annually) would continue to be capped at 10% of their family income.

Ms. Calix made a motion to recommend to the Board of Supervisors a pursuit of position to maintain current family fee schedule. The motion was seconded by Mr. Hayslip. The motion passed with three abstentions.

E. Proposal to Reduce the Child Care Regional Market Rate

Also in the 2009-10 Budget Bill signed in February, the Governor proposes to reduce the reimbursement rate ceiling in voucher-based programs from the 85^{th} percentile to the 75^{th} percentile of the rates charged by providers offering the same type of care for the same age child in that region based on the 2007 Regional Market Rate (RMR) survey data.

According to the Child Care Law Project, a permanent reduction in the RMR will reduce access to a wide range of providers for families in the subsidy system and lower the income of many small child care business owners, affecting their ability to stay open.

Comments/Discussion:

- Providers may reduce rates if RMR is reduced
- There was a problem in the methodology used for the 2007 survey, such as small sample size, etc.
- If the ceiling is dropped and the economy improves, there may be less of an opportunity to develop a tiered reimbursement system

Ms. Rhine made a motion to recommend to the Board of Supervisors a pursuit of position to maintain the reimbursement rate ceiling at the 85^{th} percentile using the 2007 RMR survey. Ms. Maria Calix seconded the motion. The motion failed (3-yes, 2-no, 7 abstentions).

Ms. Rhine made a motion to recommend to the Board of Supervisors a pursuit of position to maintain the reimbursement rate ceiling at the 85^{th} percentile using the 2005 RMR survey and encourage careful review and analysis of the impact of the reimbursement rates on providers. Ms. Calix seconded the motion. The motion passed with two abstentions.

- **Status of SB 244 (Wright)**

Ms. Terry Ogawa, representing the Los Angeles County Education Foundation (LACEF), directed members and guests to their packets for a copy of the bill, which was greatly amended as of June 1, 2009. The bill, as amended, would required the CDE to conduct a feasibility study on establishing priority enrollment in high quality child care and development programs for children from birth to five who are in the foster care system, in relative care or reunification, or were formerly in the foster care system, who are at risk of abuse, neglect, exploitation, are homeless or have a custodial parent that meets certain criteria. the feasibility .

Ms. Ogawa and Mr. Cohen talked about the meetings with other organizations across the state. As a result of those meetings, the version of the bill that was amended on May 20, 2009 responded to concerns of the groups by requiring income eligibility of certain families given priority for enrollment and deleting language that specified outreach activities for the R&Rs. Given the paring down of the bill, the bill sponsor is working with Senator Wright's staff on strategies for moving forward.

In conclusion, Ms. Ogawa distributed a data sheet that brings attention to children in child welfare system and how they could benefit from being enrolled in high quality child care and development programs. Ms. Ogawa asked to return to the Roundtable to request support for intent of bill. In its current form, the LACEF is concerned that study bills do not go anywhere. Ms. Madeline Hall added that the bill is part of a multi-pronged effort to bridge child care and development with the K-12 system on behalf of the highest risk children with lowest outcomes.

No action was recommended.

5. PUBLIC COMMENT AND ANNOUNCEMENTS

- The Teacher Quality Partnership Grant Program application has been released and the deadline for notice of intent to apply is June 26, 2009 (grant application is due July 23, 2009). The source of funds is the ARRA. The program seeks to improve the quality of new teachers, including those working in high need early care and education programs. For more information and a link to the application packet, visit http://www.ed.gov/programs/tqpartnership/applicant.html

- First 5 LA will be providing support to organizations serving children 0 – 5 groups interested in obtaining federal stimulus funds. For more information, visit www.first5la.org and click on link located under "Spotlight".

- Ms. Kate Sachnoff thanked those who voted no on Proposition 1D at the May 19, 2009 special election.

- Ms. Malaske-Samu distributed the revised *Summary of Expanded Services for Young Children under the American Recovery and Reinvestment Act (ARRA)*. The Department of Finance proposals for allocating child care and development funds were added to the matrix.

6. CALL TO ADJOURN

The meeting was adjourned at 12:10 p.m.

Commissioners Present:
Ms. Maria Calix
Mr. Duane Dennis
Mr. Whit Hayslip
Ms. Kathy House
Ms. Charlotte Lee
Ms. Terri Chew Nishimura
Mr. Matt Rezvani
Ms. Arlene Rhine
Ms. Esther Torrez
Ms. Ruth Yoon

Guests:
Ms. Sally Anderson, Commission on Children, Youth & Their Families
Mr. John Berndt, LACOE Head Start
Ms. Ellen Cervantes, Child Care Resource Center
Mr. Richard Cohen, Los Angeles County Education Foundation
Ms. Elizabeth Diaz, Commission on Children, Youth &Their Families
Ms. Madeline Hall, Los Angeles County Education Foundation
Ms. Emily Harding-Morick, UCLA CICCQ
Ms. Jennifer Hottenroth, Department of Children and Family Services
Ms. Sandra Hong, UCLA Center for Improving Child Care Quality
Ms. Leanne Negron, First 5 LA
Ms. Terry Ogawa, Los Angeles County Education Foundation
Ms. Kate Sachnoff, First 5 LA
Mr. Eric Schwimmer, SEIU
Ms. Randi Wolfe, Los Angeles Universal Preschool
Ms. Grace Weltman, Child Care Alliance of Los Angeles

Staff:
Ms. Helen Chavez
Ms. Kathleen Malaske-Samu
Ms. Michele Sartell