



County of Los Angeles
**Policy Roundtable for Child Care and
 Child Care Planning Committee**



Policy Brief

Revised: October 4, 2012

**Ballot Initiative – Proposition 38 – “Our Children, Our Future:
 Local Schools and Early Education Investment and Bond Reduction Act”**

Potential Impact on Early Care and Education in Los Angeles County

On November 6, 2012, California voters will decide whether to pass Proposition 38, entitled “Our Children, Our Future: Local Schools and Early Education Investment and Bond Reduction Act”. Proposition 38, if passed, will raise \$10 to \$11 billion annually in new revenue for education – K-12 and early care and education – through a sliding scale income tax increase based on taxpayers’ ability to pay. The money will go into a separate trust fund and be used only as specified by the Act. For more information on Proposition 38 and its overall potential impact on K-12 schools and early care and education programs, visit www.prop38forlocalschools.org.

OVERVIEW

Proposition 38 is expected to raise \$10 to \$11 billion annually in new revenue, of which a portion will be allocated to the state’s subsidized early care and education system to benefit programs serving low-income children from birth to kindergarten entry and their families as follows:

- During the first four years, ten percent of the funds (approximately \$1.02 billion per year) will fund early care and education. \$235 million will go towards restoration and system building and the remaining \$785 million will be used to enhance the quality of and expand access to early care and education programs.
- In the subsequent eight years, 15 percent (an estimated \$1.9 billion in 2017 growing to \$2.5 billion in 2023) of the new revenues will be used to enhance the quality of and expand access to programs as well as for restoration and systems building.

Building Infrastructure

Twenty-three percent of the allocation for early care and education will:

- help restore funding lost through cuts since 2008-09,
- increase the frequency of licensing inspections,
- develop, implement and maintain the Early Learning Quality Rating and Improvement System (QRIS), and
- develop and implement a database to track the educational progress of children who have participated in the state’s early care and education program.

For Infants and Toddlers

Twenty-five percent of the strengthening and expanding funds will be allocated to benefit children from birth to three years old by:

- raising reimbursement rates to early care and education programs for children younger than 18 months old,
- establishing a new California Early Head Start to be administered by the State Superintendent of Public Instruction and modeled on the federal Early Head Start Program.¹

For Preschoolers

Seventy-five percent of the funds will go towards preschool programs serving children ages three to five years old to:

- expand the number of children served by high quality preschool programs that meet the two highest quality ratings established under the QRIS system.

For Infants and Toddlers and Preschoolers

In addition, Proposition 38 would require that:

- a tiered reimbursement system aligned with demonstrated quality standards be developed and implemented, and
- at least 65 percent of the early care and education spaces created statewide provide full-day, full-year services.

¹ In addition to providing California Early Head Start in licensed centers and family child care homes, services are to be provided to families and caregivers of children not enrolled in group care settings, including license-exempt family, friend and neighbor providers.

IMPACT ON CHILDREN AND FAMILIES

Proposition 38, if passed, will significantly increase investments in the system of subsidized early care and education programs throughout the state, including Los Angeles County, through 2023.² Funding achieved through an increase in personal income taxes will expand access to early care and education programs and raise the quality standards of the services available for the most vulnerable and low-income families with children from birth to five years old.

Statewide Impact

The Advancement Project estimates the statewide impact for 2013-14 as follows:

- almost 88,000 three and four year olds would gain access to preschool,
- about 7,300 infants and toddlers would be served through the California Early Head Start program, and
- approximately 20,000 families and caregivers would be able to participate in strengthening programs for families and caregivers of children who are not enrolled in a California Early Head Start group care setting.

By 2017-2018 (full implementation) estimates:

- approximately 170,000 three and four year olds would gain access to preschool,
- over 14,000 infants and toddlers would be served through the California Early Head Start program, and
- approximately 38,000 families and caregivers would be able to participate in strengthening programs for families and caregivers of children who are not enrolled in a California Early Head Start group care setting.

Los Angeles County Impact

Los Angeles County accounts for nearly one-third of state funding for subsidized early care and education services and therefore likely will realize at least 30 percent of the new revenues.

Potential Impact on Los Angeles County's ECE System by 2017	
Total Funds	\$592,261,560
Total Children Served	71,500
Total Jobs Created/Supported	8,445

The Los Angeles County Office of Child Care estimates local impact for 2013-14 as follows:

- restoration of \$67 million in budget cuts since 2008-09 would return services to 6,400 children from birth to five years old,
- approximately \$235 million in new funds will serve roughly 11,000 three to five year old children in full-day, full year and an additional 16,000 children in part-day, part-year preschool programs, and
- nearly 4,400 infants and toddlers will have access to the newly established California Early Head Start program.

By 2017-18:

- programs will recoup about \$90 million in budget cuts that occurred since 2008-09, reaching 9,000 children from birth to five years old,
- an estimated \$457 million in new funds million will serve an additional 53,600 three to five year old children of low-income families, and
- approximately 8,600 infants and toddlers will benefit from the California Early Head Start program.

A significant boost in the Los Angeles County workforce is anticipated as follows:

- an estimated 750 jobs through restoration of early care and education program funds,
- 4,700 new jobs in preschool programs may be created through expansion funding by 2017,
- approximately 2,900 new teaching jobs through the California Early Head Start program by 2017,
- 340 additional jobs are possible with \$34 million for strengthening parents and caregivers through training, mentoring and other support activities
- an estimated 10 new positions to the two Community Care Licensing Division Regional Offices in Los Angeles County to increase licensing inspections, and
- \$7 to \$10 million to fund development of a statewide QRIS and support for local implementation could mean an estimated 53 new positions.

Questions or comments regarding this Policy Brief may be referred to Michele Sartell, Office of Child Care by e-mail at msartell@ceo.lacounty.gov or by calling (213) 974-5187.

² If passed, extension of the measure will be put before voters at a statewide election held in November of 2024.