LEGISLATIVE WOMEN'S CAUCUS BUDGET REQUEST 2016

"Neglecting what we have built over many years and letting it further deteriorate makes no sense and will just pile up costs in the long run."

-Governor Jerry Brown

Understanding the Governor's quote is a reference to roads, it nevertheless aptly represents our child care system as it struggles to serve sufficient numbers of eligible children. Infrastructures are needed to rebuild this system to serve working families, especially low-income families, educate our youngest learners, and adhere to new minimum wage laws.

Members of the Legislative Women's Caucus have agreed upon the following priorities to begin to fill the gaps within the early care and education system that have been created over the past several years and continually gone unrecognized:

FY 2016-17 LWC BUDGET REQUEST
One-time quality and support investment
Increase RMR to 85th percentile of 2014 survey
Increase license-exempt rate to 80% of current RMR
Increase SRR rates in counties where SRR is below 85th percentile of 2014 RMR survey
Ensure 12-month eligibility and update income guidelines
25,000 Slots for 0-3 year olds

One-time quality and support investment. A meaningful one-time grant to provide professional development for providers that will improve the quality of developmentally age-appropriate early care and education services. This investment in quality would allow child care providers to obtain training in child development, learning styles, health and safety, nutrition, and best practices. Additional investments are also needed to improve resources for child care consumers and providers.

Increase the Regional Market Rate to reflect the current cost of doing business; 85 percentile of the 2014 Regional Market Survey. RMRs, used for child care programs paid through vouchers, are based on biennial survey of child care providers based on the rates charged in the private market by region. Currently, the RMR ceilings are based on data from the 2009 RMR Survey - less a deficit factor of 10.11%. This puts the rates just slightly above the 2005 level making them about a decade behind the market. Given the change in the market as it relates to minimum wage and overall increased costs, that rate is unfeasible and unworkable for so many family child care homes. Many infants and toddlers are cared for in subsidy programs reimbursed by the RMR, which is often the highest cost care. Child care programs that rely on RMR can offer flexible hours, including non-traditional hours for those parents who work swing, overnight, weekend, or early morning shifts.

Increase license-exempt reimbursement rates to 80% of the 85th percentile of the 2014 Regional Market Rate Survey. Currently license exempt reimbursement rates are capped at 60% of the licensed rate. This is insufficient compensation for someone to care for children full time - especially providing infant care. The reimbursement to license exempt providers for an infant is significantly below minimum wage, usually $3 - $4 an hour. Prior to 2011 these providers were compensated at 80% of the current RMR. License-exempt care is crucial for parental choice because parents may need a relative or other close acquaintance to care for their child(ren) due to shared culture, language, or most commonly that licensed child care not available. Many parents who choose license exempt care do so because they work non-traditional hours in the evenings and weekends and have rotating shifts. License exempt care may be the only option available to them and may be the only way that parents can return to the workforce.

Increase the Center Based Standard Reimbursement Rate in counties where it lags behind the Regional Market Rate. Contracted centers follow Title 5 standards which require additional training and program standards. Nineteen counties are reimbursed at a lower rate than family child care homes. It is essential that we bring up those counties to at least match the regional reimbursement levels. The SRR is utilized by agencies that directly contract with the CDE.

Ensure parents have 12 months of eligibility and update income guidelines for subsidized child care based on the most current data available and raise the exit ceiling to continue to qualify for child care to 85% of the SMI. Currently parents have only 5 days to report changes within class and/or work schedules and changes to familial structure. Parents with variable schedules have to report every 4 months. This onerous burden on both parent and employer is causing a revolving door of eligibility and needs to be changed. Currently, the entry and exit level for child care eligibility is 70% of the SMI that was in use for 2007-2008. This causes parents to pass up slight raises or job advancement for fear of losing their childcare where costs far outweigh their wage increase.

Additional 25,000 slots for general child care. Even when California cut over a billion dollars from our early care and education programs in 2009-11, over 200,000 children were eligible and on long waiting lists trying to gain access to quality child care programs. The number of underserved children has been exacerbated by the cuts. Conservative estimates indicate that over 300,000 children are now waiting and eligible for child care subsidies statewide. Even with some additional slots in 2014-15, California is still only meeting 18% of its child care needs. While preschool has rebounded, child care programs for children under age two have seen almost no restoration from cuts during the recession.

Modernizing rates, ensuring the continuity of care, and increasing slots represent the foundation of rebuilding the infrastructure of the early care and education system which was decimated during the great recession.