



To help support legislators and staff make impactful investments in a mixed delivery child care and early education system that lifts families up from poverty, supports the need for parents to work, and targets attainment of longer term educational outcomes for children starting at birth, advocates have joined together to share with you outcomes that have occurred over the recent years. The information provided will note where historical cuts and reductions happened, where rebuilding and investments ensued, and where California is positioned today in terms of meeting the needs of California’s working families and children.

As you work to create a budget and policy solutions so that all parents are able to work, all children have enriching child care, and all child care providers are treated fairly, we (early childhood advocates) are here to support you. This sheet provides some practical background information, and please don’t hesitate to contact us if you need more information.

Unprecedented Cuts during the Recession

- The State Government cut \$984 million from the child care and preschool budgets during and after the Great Recession, from 2008 to 2012.¹
- These budget cuts caused center-based and family child care providers to close their doors, and
- About one-quarter of child care spaces were eliminated (approximately 110,000 spaces across all programs).

Rebuilding since 2013

Since 2013, the state has restored funding by \$1.3 billion. These investments have improved services by:²

- Increasing Provider Reimbursement Rates—The state updated child care provider reimbursement rates to pay child care providers that accept vouchers from a 2005 Regional Market Rate to the 2014 rate. The state also increased the rates of providers that contract directly with the Department of Education by more than 26 percent.
- Expanding Access for Families—From 2013 to 2018, the state added more than 58,000 subsidized ECE spaces. The state also updated income eligibility ceilings for families receiving child care subsidies, both for initial and continuing eligibility determinations, and reduced the frequency of eligibility redeterminations from several times a year to not less than 12-months.
- The 2018-19 Budget created the Inclusive Early Education Expansion Program, providing \$167.2 million in one-time Proposition 98 General Fund through a competitive grant program to increase the

¹ April 4, 2015 LAO Overview of California’s Child Care and Development System Page 6.

² November 2018; CALIFORNIA LIFTING CHILDREN AND FAMILIES OUT OF POVERTY TASK FORCE The Lifting Children and Families Out of Poverty Task Force Report

availability of inclusive early education and care for children aged zero to five years old, especially in low-income areas and in areas with low access to care.

2019-2020 Unmet Needs

- Despite the increase in state and federal resources, overall funding for subsidized child care and preschool in 2018-2019 (\$3.522 billion) is still nearly \$250 million lower than in 2007-2008 (\$3.771 billion), after adjusting for inflation.³
- More than 1.2 million California children in income-eligible families are waiting for child care; California only funds child care for 47,526 children.⁴
- 62 percent of Californians live in areas where child care is nearly impossible to find. There are more than five infants and toddlers for every licensed child care space. This is more than three times the ratio for 3- through 5-year olds.
- California has not yet recovered from recession-era budget cuts and the shortage of ECE capacity and facilities continues. Providers share the considerable systemic barriers to rebuild our ECE facilities:
 - 1) It is incredibly difficult to find appropriate space,
 - 2) Land use and regulatory barriers make it difficult to open a facility, and
 - 3) Developing a quality facility is very expensive and requires start-up funds.
- California has the highest number of residents living in a child care desert - a ZIP code with at least 30 children under the age of 5 and either no child care centers or so few centers that there are more than three times as many children under age 5 as there are spaces in centers.

Moving forward

- Support parents by adding flexible child care vouchers that can be used in public and private child care programs that meet the needs of parents working in our 24 hour /7 day per week economy and the needs of children who are too young for preschool.
- Strengthen the capacity of the infant and toddler work force.
- Value our child care professionals and improve quality by reimbursing them at rates that reflect the true cost of providing enriching, nurturing care and the economic diversity of California⁵.
- Support new funding for existing ECE facilities through a grant-funded program.
- Support new funding and the rebuilding of all parts of the child care and delivery system.
- Support the coordination of housing, transportation, food, child care and other supports needed to break the cycle of poverty and lift families towards self-sufficiency. California has the highest number of children and highest percentage of children living in poverty of any state in the nation⁶⁷.

In closing:

Quality, affordable child care creates stability and opens opportunities for children, families and communities. Governor Newsom and legislators have the opportunity to infuse new funding for child care and preschool. In reviewing the 2019 January Budget Proposal, it is evident that there is the will to make investments that can lift children from birth to five up and break the cycle of poverty for families. We pledge to work with you to give California's children the opportunity to achieve their potential.

³ [September 2018; Dollars for Child Care and Preschool in 2018-19 Near Pre-Recession Levels With Boost From One-Time Funding](#)

⁴ 2019-20 DOF Governor's Budget. APP voucher spaces.

⁵ The National Academies of Sciences, Engineering, and Medicine's recently released report, "Transforming the Financing of Early Care and Education" defines true costs of high-quality early care and education as the costs inclusive of resources for improving the quality and availability of professional learning during ongoing practice, and supporting well-qualified educators and administrators with adequate compensation through complete wage and benefit packages that are comparable across settings and children's ages. National Academies of Sciences, Engineering, and Medicine. (2018). *Transforming the Financing of Early Care and Education*. National Academies Press.

⁶ Laird, Jennifer, et al. "Poor State, Rich State: Understanding the Variability of Poverty Rates across US States." *Sociological Science* 5 (2018): 628-652

⁷ [The Lifting Children and Families Out of Poverty Task Force Report, November 2018](#)