Berkeley Center on Health, Economic & Family Security

A policy series from the Berkeley Center on Health, Economic & Family Security

POLICY BRIEF
September 2010

Cutting Child Care Out from Under Californians

Catherine Albiston, M.A., J.D., Ph. D.
Professor of Law
UC Berkeley School of Law

Melissa A. Rodgers, J.D.
Directing Attorney
Child Care Law Center

Shira Wakschlag
Skadden Fellow at the Disability Rights Education and Defense Fund
Graduate, UC Berkeley School of Law

EXECUTIVE SUMMARY

The California budget battle is continuing with no clear end in sight. To help patch a nearly $20 billion shortfall in California, Governor Arnold Schwarzenegger proposed to cut $1.2 billion in child care funds, a move that would eliminate most subsidized child care for low-income families. He also proposed to terminate California's welfare program, CalWORKs, which serves 1.4 million people, 1.1 million of whom are children. Included in the CalWORKs cuts are child care subsidies for families receiving or successfully transitioned off welfare. In total, 240,000 children would lose access to subsidized child care. While the Legislature's Joint Budget Conference Committee rejected these child care cuts, the continued uncertainty about child care funding undermines the availability and sustainability of child care as districts are forced to close their programs because the state budget remains unresolved. This paper outlines the impact these child care cuts would have on working parents, children, and the state's economy.

Cutting Child Care Out from Under Californians

September 5, 2010

I. The Proposed Cuts

In May, just before schools let out and children departed for the summer, Governor Arnold Schwarzenegger released his revised budget proposal for 2010-11. To help patch a nearly $20 billion shortfall, the Governor proposes to cut $1.2 billion in child care funds, a move that would eliminate most subsidized child care for low-income families. He also proposes to terminate California's welfare program, CalWORKs, which serves 1.4 million people, 1.1 million of whom are children. Included in the CalWORKs cuts are child care subsidies for families receiving or successfully transitioned off welfare. In total, 240,000 children will lose access to subsidized child care.[1] Many more families are likely to be affected, however, as child care providers that serve both subsidized and unsubsidized families close down, reduce staff, or cut back on their programs.

These cuts, if enacted, will cause severe economic insecurity for working parents and child care providers, causing a ripple effect across the economy, and will negatively impact the education and well-being of children currently being served by existing programs.

Impact of the Governor's Child Care Proposal by the Numbers[2,3]

- 84% of children (more than 72,000) will be cut from General Child Care subsidies.
- 100% of children (more than 185,000) will be cut from CalWORKs-linked child care (stages 1-3) by October 1, 2010. Of these children, just over 25,000 are expected to access subsidies through Alternative Payment vouchers. The rest (159,000 children) will lose access entirely.
- 130,000 child care providers who serve low-income children will be impacted.[4]
- 38,000 full-time equivalent child care jobs will disappear.
- 85,000 working parents earning only minimum wage will lose access to subsidized child care.

The good news is that as of August 6, 2010, the Legislature's Joint Budget Conference Committee has agreed to reject the Governor's proposal to eliminate all state child care funding and the CalWORKs program.[5] But the California budget battle continues to rage. The Governor and Republicans oppose the Conference Committee's compromise solution, leaving child care funding in continued jeopardy.[6] The continued uncertainty about child care funding undermines the availability and sustainability of child care as districts are forced to close their programs because the state budget remains unresolved.

Already, preschool and child care workers have joined the ranks of the California teachers who received a preliminary reduction-in-force notice, or "pink slip" this year. News outlets around the state report layoffs and early childhood education center closures.[7] The cuts not only affect individual low-income families, they are also forcing the closure of a number of community-based care programs that are integrated with the schools and that serve working families throughout the community. These longstanding and highly successful programs have been forced to lay off most or all of their staff members given the uncertainty of state funding.[8] As the budget process drags on, long time staff members will be forced to find other jobs, undermining the quality and integrity of these programs.

The Governor is claiming that federal funds—nearly $600 million according to the Governor's budget—could mitigate some of the cuts this year and maintain 78,000 child care slots for the poorest children. But California cannot assume that the federal government will step in to backfill state cuts. Indeed, several analyses have raised questions about whether or not federal funds will be available without an appropriate state match, particularly if the federal funds are used to supplant rather than supplement state funding.[9] The federal government administers its child care subsidies to low-income families through a number of programs, including the Child Care Development Block Grant (CCDBG), which state funds supplement.[10] Federal law specifies that discretionary CCDBG funds "must be used to supplement, not supplant State general revenue funds for child care assistance to low-income families."[11] Discretionary grants to states under the American Recovery and Reinvestment Act of 2009 (ARRA) also included a prohibition against using the funds to supplant state funding.[12]

The Legislative Analyst's Office warns that federal assistance is unlikely to continue at the same high levels in the future in the absence of a state-level financial commitment.[13] In fact, that office projects that California would lose between $100 and $200 million in federal funds under the Governor's proposal.[14]

Ironically, California is moving in the opposite direction from the federal government on child care. While California's Governor is proposing draconian cuts to child care, at a White House Middle Class Task Force meeting in January 2010, President Obama made clear that child care is a critical investment needed to support working parents and called on Congress to continue to increase the nation's investment in child care.[15] While the budget is not yet final, both the House and Senate are supporting major increases in the Child Care Development Block Grant and in Head Start and Early Head Start that would maintain the investments previously made as part of the ARRA.[16]

II. The Impacts

The Governor's proposed child care cuts would be felt far beyond the more than 240,000 children targeted and dismantle one of the state's economic pillars.[17] California has provided child care services to families since World War II, when child care centers were needed to support women entering the workforce.[18] The state's subsidized child care system generates more than 130,000 child care related jobs and allows thousands of parents to work who otherwise may be unable to find care for their children.[19]

Impacts on Jobs and the Economy

At the macroeconomic level, cutting child care will decrease employment in an already faltering job market.[20]

- Working Parents Will Face Economic Insecurity. Studies have found that child care subsidies make it more probable that low-income single mothers will be employed, and that government spending on child care subsidies "generates more additional hours worked per dollar of government spending than a comparable wage subsidy."[21] A recent Op-Ed by Jean Ross, the Executive Director of the California Budget Project, underscores the link between affordable child care and parental employment and notes the tough odds that single women with children, who rely heavily on subsidized child care, already face in the current job market: 38% were unemployed for more than six months in 2009.[22,23]

- Child Care Providers Will Also Lose Jobs as Centers Close. The UC Berkeley Labor Center estimates that the child care cuts will result in the loss of 38,000 full-time equivalent jobs and points out that those who keep their jobs may face reduced hours and therefore income.[24] Paradoxically, the 2009-2010 California budget signed July 28, 2009 included $4 million to train former CalWORKs recipients to become child care teachers and $2.5 million to train license-exempt child care providers that serve subsidized children.[25]

- Tax Revenues Will Shrink and Social Services Costs Will Grow. The economic impacts of these budget cuts would extend to counties and the state. Parents need child care to be able to work, and when Californians lose their jobs tax revenues shrink. The Labor Center calculates that California will lose $3.1 billion in economic output and $157 million in state and local tax revenue due to the reduction in child care jobs alone.[26] The overall economy would lose sales revenue as well: on average, every dollar spent directly on child care generates nearly two additional sales dollars.[27] Moreover, low-income working parents who are forced out of the workforce by these cuts will rely on state- or county-funded social services including unemployment and welfare programs that are already stressed by the recession. Families who lose job-based health insurance when they leave the workforce will also require public health insurance. Some of these new costs may shift to counties.[28] Specifically, the CalWORKs cuts, including child care, will force more families to rely on county-based General Assistance. Conservative estimates demonstrate that every dollar invested in early childhood programming would generate approximately three dollars in public savings.[29]

- California Will Lose Billions in Federal Funding. If the cuts go into effect California would also lose 75% of its federal welfare funding this year—$2.8 billion of the $3.7 billion Temporary Assistance for Needy Families (TANF) block grant that funds CalWORKs and some other program costs—and all federal welfare funding in future years if it eliminates the CalWORKs program, according to an analysis by the California Budget Project.[30,31]

All of these facts indicate that early education and child care cuts will only worsen California's already dire financial situation, and that they will likely cost the state far more than they will save.

Impacts on Children, Families, Schools, and Community

Access to high-quality child care matters, especially for low-income children, but affordable high-quality care is in short supply. New data from a study funded by the National Institutes of Health—the first study to track children for a full decade after they left child care—found that teens who had been in high-quality child care settings as children demonstrated slightly higher cognitive and academic achievement scores and a lower likelihood of acting-out behaviors than teens who had been in lower-quality child care.[32] Previous studies of high-quality early intervention programs have documented positive effects on the social, cognitive, and emotional development of low-income children, as well as improved academic outcomes.[33]

Ample research demonstrates the vital importance of high-quality early childhood programming during a child's first five years of life. Early experiences shape temperament, social development, perceptual and cognitive abilities, brain architecture, and gene expression and neurochemistry.[34] Skills build on each other, making early access to high-quality early childhood education an especially efficient investment in children.

Studies show that children who attend high-quality early childhood programming are more likely to graduate from high school and to demonstrate stronger social skills later in life.[35] In addition, these children are far less likely to be on welfare, become criminals or teen parents, or experience debilitating health and socioeconomic problems.[36] Studies focused specifically on California have shown that if high-quality early childhood programming were more widely accessible, juvenile crime would fall 19% and the high school dropout rate would decrease by 14%.[37] Other long-term benefits would include: reduced welfare rolls, improved public health, greater educational and professional achievement, increased economic growth, and a reduction of socioeconomic gaps amongst racial groups.[38]

These research findings are strong enough to lead Nobel Prize winning economist James Heckman and his colleagues to conclude that, "the most cost-effective strategy for strengthening the future American workforce is to invest greater human and financial resources in the social and cognitive environments of children who are disadvantaged, beginning as early as possible."[39]

The Governor's proposed cuts seem to assume that, without child care subsidies, families will have other good child care options available to them, such as a stay-at-home parent or access to quality care from other sources. This is simply not the case. Two-parent families with one breadwinner and one homemaker constitute less than 26 percent of families with children under 18.[40] Forty-one percent of families with children under 18 now have two working parents, and 30 percent are single parent families in which only one parent provides both support and care.[41] Fifty-six percent of women with children under the age of six now work, and fifty percent of women with children under the age of one now work.[42]

Given these changes in family structure, it is not surprising that parents struggle to balance work and family responsibilities. With more than 90% of American parents reporting work-family conflict,[43] the need for good early childhood programming is imperative to ensure that children are well cared for and placed in intellectually and socially stimulating environments while their parents are at work. Indeed, one in two low-wage working parents has been sanctioned at work due to work-family conflict.[44]

The Governor's program does spare some funding for partial-day preschools that only operate during the school year,[45] but California workers do not get the summer off. Employers expect their workers to work year round and full time. By cutting full-year, full-day programs the Governor would deprive working parents of the child care they need to continue to work.

The Governor's proposed cuts come at a time when child care costs are already high compared to family income and household expenses, and are rising quickly. Since 2000, child care costs have risen twice as fast as the median income of families with children.[46] Today, California ranks 5th out of 50 states for the least affordable center-based infant care and 12th for the least affordable center-based care for a four-year-old.[47] Child care in California is more expensive than public college.[48] In 2008-2009, in California, the average annual cost for an infant in center-based care was more than double a year's tuition and fees at a four-year public college ($11,580 versus $5,996). The average cost to send a four-year-old child to center-based care ($8,234) was more than a third higher than the cost of sending a child to a public college.[49]

Table 1: Center-Based Infant Care in California[50]

Average Annual Cost of Full-Time Infant Care	Median Income for Single Mother Family	Child Care as a Percentage of State Median Income for Single Mother	Family State Median Income for a Two-Parent Family	Child Care as a Percentage of State Median Income for Two-Parent Family
$11,580	$28,579	40.5%	$81,794	14.2%

It follows that in California, only 47% of children zero-to-five are enrolled in early childhood education programs, ranking the state as 37th in the nation. The key reason is cost. Almost half of children aged zero-to-five in California lives in impoverished or low-income families, suggesting that California's low enrollment is directly correlated with the high cost of early childhood programming in the state.[51]

California is home to 9.4 million children aged zero to seventeen, who constitute 13% of the zero-to-seventeen demographic across the United States.[52] Furthermore, one in every eight of this country's children under the age of eight lives in California.[53] Nearly half or, 45%, of children under eight in California are members of impoverished or low-income families.[54] Income is one of the most important determinants of a family's ability to send children to early childhood programming, with enrollment rising 4% for every additional $1,000 in income.[55] Because California is one of the most expensive states in the nation when it comes to early childhood programming, there is significant need for both state and federal government subsidies in this area.

Enrollment in early childhood programming varies by income level. In low- and middle-income families, it is most common for parents to have their children cared for by trusted relatives to reduce child care costs or to send their children to licensed family child care homes that are more affordable than licensed center-based care. Higher-income families are more inclined to send their children to private licensed child care centers that are out of reach for most lower-income families.[56] In California, 49% of three- and four-year-olds in impoverished and low-income families are in some form of center-based child care while 69% of children in higher-income families are enrolled in such programs.[57] Fewer than half of children whose mothers have less than a high school diploma are in center-based programs in contrast to 80% of children whose mothers have a graduate degree.[58]

High-quality child care has implications not only for children and their families, but also for the communities in which they live and the schools they attend. Multiple studies have documented the link between school readiness and early experiences.[59] Children entering kindergarten unprepared for school put stress on an already stretched educational system. High-quality child care increases school readiness, especially for the most disadvantaged children.[60] Conversely, if these children enter school behind their more well-off peers, they may never make up the deficit.[61]

When children do not have sufficient access to quality, affordable child care, the school system feels it. In San Francisco County, for example, school readiness evaluations indicated that 45% of children entering kindergarten need extra support in at least one area of development and only 41% of San Francisco's incoming kindergarteners match the level of readiness deemed necessary for them to eventually succeed in third grade standardized testing.[62] To combat this problem, a growing number of schools in California have developed school-based early childhood opportunities for their future students.[63]

The Governor's proposed child care cuts will also affect programs currently provided through and integrated with the public schools, including some after-school care programs that rely in part on the grants proposed to be eliminated. School-age children are among the 240,000 children who would be affected by the proposed cuts; as many as 70,000 school-age children could be affected.[64] Indeed, some California school districts have already been forced to cut back or eliminate after-school programs.[65] Because some of these centers serve a mix of subsidized and unsubsidized families, the Governor's proposed cuts will reduce the availability of child care not only for low income families but also for other families in these school districts who rely on this care.

Cuts to programs that are integrated into public school are particularly worrisome because research demonstrates that high-quality after-school care programs like these are associated with better attitudes toward school, higher educational aspirations, more engagement in learning, and better school performance.[66] These programs are also associated with less tardiness and disciplinary problems in school, benefiting not only children enrolled in these programs but also their classmates and teachers.[67] Beyond academics, after school programs like these promote better communication skills and relationships with others, including parents and teachers as well as peers.[68]

There are at least three important factors critical to after-school programs that benefit children, all of which are threatened by the Governor's proposed cuts. First, sustained and consistent participation in these programs is essential to achieve good outcomes,[69] yet the uncertain budget situation has left these programs in limbo and sent parents scrambling to find alternative care arrangements.[70]

Second, to be effective these programs must have appropriate leadership, supervision and structure, a skilled and experienced staff with a clear vision and goals for the program, and well-organized and engaging activities.[71] Yet school districts have been forced to issue lay-off notices to longstanding and experienced teachers in these programs, and some programs have been able to continue only by operating with fewer teachers and under significant uncertainty about how long they will be able to remain open.[72] Even if funding is eventually restored, the current uncertainty makes it difficult to maintain continuity of longstanding programs and experienced staff because laid-off teachers must now scramble to find work in a dismal economic climate.

Finally, effective programs build on strong partnerships among families, schools, and communities.[73] School based programs provide a central gathering point for cooperation among parents living in a community, and help foster parents engage with the public schools. If child care cuts force parents to seek out more dispersed, ad hoc care arrangements for their children, the bonds among families, schools, and communities may be threatened, with negative consequences for the community as a whole.

CONCLUSION

Cutting child care services is a short-sighted budgetary stop gap measure with long term costs on California, its working families, and its schools. The proposed cuts would cost California billions of federal dollars, reduce tax revenues, and put more pressure on the already strained public safety net. Although the Joint Budget Conference Committee has so far tried to push back against some of the Governor's proposed cuts, other cuts totaling almost $338 million remain in the Committee's budget proposal. The Governor and Republicans oppose the Conference Committee's proposal, leaving child care funding in continued jeopardy.[74]

Now is the time to invest wisely. Keeping working parents and child care providers in the work force and devoting resources to the social, emotional, and cognitive development of California's future students and workers is not just good social policy but also makes good economic sense.

REFERENCES

[1] For more details on the cuts, see Legislative Analyst's Office, *Overview of Governor's Child Care Proposals*, May 25, 2010.

[2] Ibid. For additional information, see Senate Committee on Budget and Fiscal Review, *May Revision Highlights*, May 14, 2010; Nancy Strohl, "California Child Care May Revise Summary" (San Francisco: California Child Care Resource and Referral Network, 2010); Ken Jacobs, Laurel Lucia and T. William Lester, "The Economic Consequences of Proposed California Budget Cuts" (Berkeley: University of California, Berkeley, Center for Labor Research and Education, 2010); California Department of Education, *Schools Chief Jack O'Connell Praises Senate Budget Subcommittee for Protecting Child Care Funds Threatened by Governor's May Revise Proposal*, News Release #10-61, May 25, 2010.

[3] This list does not include all proposed cuts. Subsidies for migrant children and severely handicapped children would also be cut. Moreover, under the Governor's proposal, Alternative Payment child care vouchers, which are portable subsidies that families can take to a licensed provider of their choice, will remain but enrollment will be capped at 62,650 children. As stated above, the voucher program could absorb 25,000 of the children cut from other subsidized programs, but 240,000 would be left without access. Further, under the Governor's proposal, income eligibility for the remaining General Child Care slots and the Alternative Payment vouchers would be reduced from 75% of the state median income to 60% ($3,350 per month for a family of four); payments to child care providers would be capped at reduced rates; systemic improvements, such as the Centralized Eligibility List for child care subsidies and the state's Resource and Referral Agencies, would be dismantled; and funding for services to conduct background checks on child care providers, such as the TrustLine fingerprint screening, would be cut by 75%.

[4] An estimated 130,000 child care providers work in facilities that serve at least one child receiving a subsidy: 30,000 licensed family child care providers and paid assistants; 60,000 Child care center staff (directors, teachers, and assistants); and 40,000 license-exempt in-home care providers. This estimate of the impact on the child care and development workforce is based on information and analysis from the California Child Care Resource and Referral Network, on file with the authors. Their analysis includes workforce estimates and percentage of providers serving subsidized children from the 2006 California Early Care and Education Work Force Study of Licensed Family Child Care Homes and Licensed Child Care Centers, updated to reflect 2008 supply data. These estimates were combined with the number of California Department of Education (CDE), General Child Care state-contracted centers published in the 2009 California Child Care Portfolio to estimate the overall number of child care providers serving children receiving vouchers or in state-contracted programs. The estimate of the number of licensed-exempt providers impacted utilizes data from both CDE and the California Department of Social Services (CDSS) to determine the number impacted.

[5] California Budget Project, *Searching for Balance: How do the Budget Plans Compare?* August 11, 2010, available at http://www.cbp.org/pdfs/2010/100618_Budget_Comparision.pdf.

[6] "Senate & Assembly Democrats Present a United Budget Proposal Once Again Reject the Governor's Proposal to Eliminate State Funding for Child Care," available at http://www.rrnetwork.org/news-and-events/campaign-to-save-child-care/campaign-to-save-child-care-update-final-8-13-10.pdf (last accessed August 26, 2010).

[7] See, e.g., Kevin Fagan, "7 Oakland Day Care Centers May Close," *San Francisco Chronicle*, August 27, 2010; Kevin Fagan, "Oakland Keeping Five Child Care Centers Open," *San Francisco Chronicle*, August 28, 2010; Eric Kurhi and Katy Murphy, "Shadow of Uncertainty at East Bay Day Care Centers," *Oakland Tribune*, June 14, 2010; Kevin Butler, "Local Child-Care Centers Say State Child Care Cuts Would Be Devastating," *Long Beach Press-Telegram*, June 16, 2010; Vivian Po, "Low-Income Preschoolers in Freefall," News Report, New America Media July 19, 2010.

[8] Sara Johnson, "Child Care Programs Face Closure," *The Daily Californian Online*, August 9, 2010, available at http://www.dailycal.org/article/109962/child_care_programs_face_closure; Emile Raguso, "Albany Parents Lobby Sacramento Today to Stop Child Care Cuts" (Sacramento: Health and Human Service Network of California, 2010), available at http://www.hhsnetworkca.org/2010/07/15/albany-parents-lobby-in-sacramento-today-to-stop-childcare-cuts.

[9] See Senate Committee on Budget and Fiscal Review, *May Revision Highlights*, which cautions that funds maintained for the preschool program may not qualify to draw down federal matching funds for the Alternative Payment child care voucher program; see also Assembly Budget Committee, *Highlights of Governor's*

Proposed May Revision—2010-2011 State Budget, May 14, 2010, which warns that the proposal "puts at risk the federal Maintenance of Effort requirements" of the Child Care and Development Block Grant.

[10] Heather Boushey and Joan C. Williams "The Three Faces of Work-Family Conflict" (Washington: Center for American Progress, 2010): 67, available at http://www.americanprogress.org/issues/2010/01/pdf/threefaces.pdf. Funding also comes from the Temporary Assistance for Needy Families (TANF) program, Head Start, and the Individuals with Disabilities Education Act (IDEA).

[11] See, e.g., *Omnibus Appropriations Act of 2009*, Public Law 111-8 (2009), and *Consolidated Appropriations Act of 2008,* Public Law 110-161 (2008). The Child Care and Development Block Grant Act (CCDBG) is the discretionary funding stream for the Child Care and Development Fund program and is subject to annual appropriations. *Child Care and Development Block Grant Act (CCDF),* 42 U.S.C. § 9858 et seq. The CCDF program also includes Mandatory and Matching Funds, entitlement programs appropriated under Title IV of Section 418 of the Social Security Act. 42 U.S.C. § 618. Maintenance of effort requirements apply to states that receive matching funds under CCDF. 45 C.F.R. § 98.53. For more information on allocations, see U.S. Department of Health and Human Services, Administration for Children and Families, Child Care Bureau, "How CCDF Allocations Are Calculated," available at http://www.acf.hhs.gov/programs/ccb/law/allocations/ccdf_calculations.htm.

[12] See U.S. Department of Health and Human Services, Administration for Children and Families, Child Care Bureau, *Program Instruction (CCDF-ACF-PI-2009-03),* available at http://www.acf.hhs.gov/programs/ccb/law/guidance/current/pi2009-03/pi2009-03.htm.

[13] Legislative Analyst's Office, *The 2010-11 Budget: Overview of the May Revision*, May 18, 2010.

[14] Legislative Analyst's Office, *Overview of Governor's Child Care Proposals.*

[15] See White House Press Office, President Obama and Vice President Biden Preview Initiatives for Middle Class Families, Press Release, January 25, 2010, available at http://www.whitehouse.gov/the-press-office/president-obama-and-vice-president-biden-preview-initiatives-middle-class-families.

[16] National Women's Law Center, Action Alert from Helen Blank, July 2010, available at http://action.nwlc.org/site/MessageViewer?em_id=34462.0&dlv_id=30642 (last accessed September 3, 2010).

[17] An additional 196,000 fully-eligible children estimated to be waiting on the Centralized Eligibility List will also lose the opportunity to access subsidies, should the Governor's proposal go into effect. California Department of Education, Child Development Division, "Status Report on the Implementation of County Centralized Eligibility Lists" (November, 2009), available at www.cde.ca.gov/sp/cd/ci/documents/cellegrpt09.doc.

[18] Abby J. Cohen, "A Brief History of Federal Financing for Child Care in the United States," *The Future of Children: Financing Child Care*, vol. 6 (2) (Princeton: Princeton University Press, 1996), adapted from The David and Lucile Packard Foundation*,* "The Future of Children" (1991).

[19] California Department of Education, *Schools Chief Jack O'Connell Praises Senate Budget Subcommittee for Protecting Child Care Funds Threatened by Governor's May Revise Proposal*, News Release #10-61, May 25, 2010. See also Campaign to Save Child Care, "United Response to the Governor's Proposal to Destroy Our Child Care System!" (May 21, 2010), available at http://www.rrnetwork.org/news-and-events/campaign-to-save-child-care/campaign-to-save-child-care-final1-5.pdf (last accessed August 6, 2010).

[20] For a detailed discussion of overall job market trends, see Sylvia A. Allegretto, "The Severe Crisis of Jobs in the United States and California," (Berkeley: University of California, Berkeley Institute for Research on Labor and Employment, Center on Wage and Employment Dynamics, 2010).

[21] See studies cited in Hannah Matthews, "Child Care Assistance: A Program That Works" (Washington: Center for Law and Social Policy, 2009).

[22] Jean Ross, "Affordable Child Care Key to Jobs," *San Diego Union Tribune*, June 18, 2010.

[23] For a review of the research on the link between parental employment and child care subsidies, see also Sharmila Lawrence and J. Lee Kreader, "Parent Employment and the Use of Child Care Subsidies—Research Brief" (New York: Child Care & Early Education Research Connections, 2006).

[24] Ken Jacobs, Laurel Lucia and T. William Lester, "The Economic Consequences of Proposed California Budget Cuts" (Berkeley: University of California, Berkeley, Center for Labor Research and Education, 2010).

[25] Child Care Law Center, "Preliminary Overview of Child Care Provisions in the California Budget Signed July 28, 2009" (2009) (citing to ABx4 1 § 439, p. 289; 6110-196-0001, Prov. 3(d)).
[26] Ken Jacobs, Laurel Lucia and T. William Lester, "The Economic Consequences of Proposed California Budget Cuts."
[27] Hannah Matthews, "Child Care Assistance: A Program That Works" (Washington: Center for Law and Social Policy, 2009).
[28] Legislative Analyst's Office, *The 2010-11 Budget: Overview of the May Revision* (2010).
[29] James H. Bigelow and Lynn A. Karoly, "The Economics of Investing in Universal Preschool Education in California" (Sacramento: The RAND Corporation, 2005): 141.
[30] California Budget Project, "Governor Releases May Revision to the 2010-2011 Budget" (2010), available at http://www.cbp.org/documents/100514_May_Revise.pdf.
[31] On top of these funds, the California Budget Project forecasts that California could lose an additional $500 million of federal funds if Congress extends the American Recovery and Reinvestment Act of 2009 (ARRA) Emergency Contingency Fund. Moreover, if Congress were to pass other TANF-linked federal programs related to childcare—such as the Children First Act (S. 3667, 2010), which would increase child care funding through TANF by $800 million a year over five years—even more funding could be at stake.
[32] D.L. Vandell, and others, "Do Effects of Early Child Care Extend to Age 15 Years? Results From the NICHD Study of Early Child Care and Youth Development," *Child Development*, vol. 81 (3) (2010): 737–756.
[33] For a review of the literature, see Ibid; see also First 5 California Children and Families Commission, "School Readiness (Volume 1): Children's Readiness for School and Schools' Readiness for Children" (2003), available at http://www.ccfc.ca.gov/pdf/help/3.pdf. Note that researchers make the point that quality matters and that the most convincing data come from studies of high-quality programs.
[34] Judy L. Cameron, James J. Heckman, Eric I. Knudsen, and Jack P. Shonkoff, "Economic, Neurobiological, and Behavioral Perspectives on Building America's Future Workforce," *PNAS*, vol. 103 (27) (2006): 10155-10162.
[35] James J. Heckman, "Invest in the Very Young" (Chicago: Ounce of Prevention Fund and the University of Chicago Harris School of Public Policy Studies, 2000): 5. See also Children Now, "California Report Card: 2010" (2010): 27; The RAND Corporation, "The Economics of Investing in Universal Preschool Education in California" (2005): 53.
[36] The RAND Corporation, "The Economics of Investing in Universal Preschool Education in California:" 38, 74; see also William T. Dickens and Charles Baschnagel, "The Fiscal Effects of Investing in High Quality Preschool Programs" (Washington: Brookings Institution, 2009): 3, available at: http://www.brookings.edu/~/media/Files/rc/papers/2009/04_preschool_programs_dickens/04_preschool_programs_dickens.pdf; and Arthur J. Reynolds and others, "Long-term Effects of an Early Childhood Intervention on Educational Achievement and Juvenile Arrest: A 15-Year Follow-up of Low-Income Children in Public Schools," *JAMA* vol. 285 (18) (2001): 2339:2346 (finding that long-term effects of early childhood education for low-income children include increased rates of high-school completion and lower rates of juvenile arrests).
[37] Fight Crime: Invest in Kids California, "Paying the Price for the High Cost of Preschool in California" (2006): 3.
[38] James H. Bigelow and Lynn A. Karoly, "The Economics of Investing in Universal Preschool Education in California:" 141-142.
[39] Judy L. Cameron, James J. Heckman, Eric I. Knudsen, and Jack P. Shonkoff, "Economic, Neurobiological, and Behavioral Perspectives on Building America's Future Workforce."
[40] Figures calculated from Bureau of Labor Statistics, United States Department of Labor, *Economic New Release, Table 2: Families by presence and relationship of employed members and family type* (2009), with the annual averages for 2008-09 available at http://www.bls.gov/news.release/famee.t02.htm. Bureau of Labor Statistics, United States Department of Labor, *Economic New Release, Table 4: Families with own children: employment status of parents by age of youngest child and family type* (2009), with the annual averages for 2008-09 available at http://www.bls.gov/news.release/famee.t04.htm.
[41] Ibid.

[42] Bureau of Labor Statistics, United States Department of Labor, *Economic New Release, Table 5: Employment status of the population by sex, marital status, and presence and age of own children under 18* (2009), with annual averages from 2008-09 available at http://www.bls.gov/news.release/famee.t05.htm.

[43] Heather Boushey and Joan C. Williams "The Three Faces of Work-Family Conflict": 1.

[44] Ibid, at 14.

[45] Senate Committee on Budget and Fiscal Review, *May Revision Highlights*, May 14, 2010.

[46] National Association of Child Care Resource & Referral Agencies (NACCRRA), "Parents and the High Cost of Child Care: 2010 Update" (2010).

[47] Ibid.

[48] Ibid. at Appendix 8.

[49] Ibid.

[50] Adapted from NACCRRA, "Parents and the High Cost of Child Care: 2010 Update."

[51] Note that the high cost of child care does not translate into high wages for child care providers. The median hourly wage for child care providers in California ranges from $8.92 to $12.73 per hour, whereas the living wage for a single adult with a child is $19.67 per hour. See "Hourly Rate Snapshot for Child Care / Day Care Worker Job," available at http://www.payscale.com/research/US/Job=Child_Care_%2f_Day_Care_Worker/Hourly_Rate/by_State. http://www.livingwage.geog.psu.edu/states/06 (last accessed August 26, 2010).

[52] Children Now, "California Report Card: 2010": 1.

[53] Linda Jacobson, "On the Cusp in California: How Pre-K-3rd Strategies Could Improve Education in the Golden State" (Sacramento: New America Foundation, 2009): 2, available at: http://www.newamerica.net/files/On_The_Cusp_in_CA.pdf.

[54] Ibid. at 3.

[55] Laura Moye, Margaret O'Brien-Strain, and Freya Lund Sonenstein, "Arranging and Paying for Child Care" (San Francisco: Public Policy Institute of California, 2003): 47.

[56] Mark H. Greenberg, "Next Steps for Federal Child Care Policy," *The Next Generation of Antipoverty Policies,* vol.17 (2) (2007), available at http://www.princeton.edu/futureofchildren/publications/journals/article/index.xml?journalid=33&articleid=67&sectionid=353.

[57] Children Now, "California Report Card: 2010": 27, citing RAND Corporation, "Prepared to Learn: The Nature and Quality of Early Care and Education for Preschool-Age Children in California" (Santa Monica: RAND Corporation, 2008).

[58] Jacobson, "On the Cusp in California: How Pre-K-3rd Strategies Could Improve Education in the Golden State:" 7.

[59] See Neal Halfon, and others, "Reaching Back to Create a Brighter Future: the Role of Schools in Promoting School Readiness" (Los Angeles: UCLA Center for Healthier Children, Families and Communities, 2001).

[60] Kathleen McCartney, "Easy as ABC: Quality Child care Matters for Low-Income Families," *Usable Knowledge*, Harvard Graduate School of Education (2009).

[61] Ibid., citing Stipek DJ and RH Ryan, "Economically Disadvantaged Preschoolers: Ready to Learn but Further to Go," *Developmental Psychology* vol. 33 (4) (1997): 711-723; also citing AE Cunningham and KE Stanovich, "Early Reading Acquisition and Its Relation to Reading Experience and Ability 10 Years Later," *Developmental Psychology* vol. 33 (6) (1997): 934-945.

[62] Children Now, "California Report Card: 2010": 26.

[63] Neal Halfon and others, "Reaching Back to Create a Brighter Future: the Role of Schools in Promoting School Readiness": 21.

[64] This estimate is derived from point-in-time data from the California Department of Education, Child Development Division, *CD-801A Monthly Child Care Report*, (2009). These data show that more than 100,000 school-age children (ages 5 and above) are enrolled in CalWORKs or General Child Care funded programs. If half of all Alternative Payment child care slots go to school-age children (about 30,000 slots), that still leaves more than 70,000 school-age cuts.

[65] Sara Johnson, "Child Care Programs Face Closure," *The Daily Californian Online*, August 9, 2010, available at http://www.dailycal.org/article/109962/child_care_programs_face_closure; Emile Raguso, "Albany Parents Lobby Sacramento Today to Stop Child Care Cuts" (Sacramento: Health and Human Service Network of California, 2010), available at http://www.hhsnetworkca.org/2010/07/15/albany-parents-lobby-in-sacramento-today-to-stop-child care-cuts.

[66] Priscilla M.D. Little, Heather B. Weiss and Christopher Wimer, "After School Programs in the 21st Century," Issues and Opportunities in Out-of-School Time Evaluation (10), Harvard Family Research Project (2008), executive summary available at http://www.hfrp.org/var/hfrp/storage/fckeditor/File/file/OSTissuebrief10_summary.pdf; D. Huang, K.S. Kim, A. Marshall, and P. Perez, "Keeping kids in school: An LA's BEST example—A study examining the long-term impact of LA's BEST on students' dropout rates," (Los Angeles, CA: National Center for Research on Evaluation, Standards, and Student Testing, 2008), executive summary available online at http://www.lasbest.org/what/publications/Keeping_Kids_in_School_Exec_Sum.pdf; Denise Huang and others, "A Decade of Results: The Impact of LA's BEST After School Enrichment Program on Subsequent Student Achievement and Performance" (Los Angeles: UCLA Center for the Study of Evaluation, Graduate School of Education & Information Studies, 2000). For a summary of the literature in this area, see Claire Brown Goss, Christopher Wimer, and Pricilla M.D. Little, "After School Programs in the 21st Century: Their Potential and What it Takes to Achieve It (Research Companion)," (Cambridge: Harvard Family Research Project, 2008), available at http://www.hfrp.org/var/hfrp/storage/fckeditor/File/file/OSTissuebrief10_companion.pdf.

[67] Little, Weiss and Wimer, "After School Programs in the 21st Century."

[68] Ibid.

[69] Ibid.

[70] Peter S. Goodman, "Cuts to Child Care Subsidy Thwart More Job Seekers," *The New York Times*, May 24, 2010, p. A1; Kurhi and Murphy, "Shadow of Uncertainty at East Bay Day Care Centers."

[71] Little, Weiss and Wimer, "After School Programs in the 21st Century."

[72] Alyssa Alford, "Albany Parents Protest Child Care Cuts," *Tri-Valley Herald*, July 15, 2010; Kurhi and Murphy, "Shadow of Uncertainty at East Bay Day Care Centers."

[73] Little, Weiss and Wimer, "After School Programs in the 21st Century."

[74] "Senate & Assembly Democrats Present a United Budget Proposal Once Again Reject the Governor's Proposal to Eliminate State Funding for Child Care," available at http://www.rrnetwork.org/news-and-events/campaign-to-save-child-care/campaign-to-save

University of California, Berkeley
School of Law
2850 Telegraph Avenue, Suite 500
Berkeley, CA 94705-7220
510.642.8527
www.law.berkeley.edu/chefs.htm

Berkeley Center on Health, Economic & Family Security

The Berkeley Center on Health, Economic & Family Security (Berkeley CHEFS) is a research and policy center at the University of California, Berkeley, School of Law and the first of its kind to develop integrated and interdisciplinary policy solutions to problems faced by workers and families in the United States. Berkeley CHEFS works on increasing access to health care, improving protections for workers on leave from their jobs, supporting workers in flexible workplaces, and ensuring that seniors are secure during retirement.

Catherine Albiston is a Professor of Law at the UC Berkeley School of Law.

Melissa A. Rodgers was the Associate Director of the Berkeley Center on Health, Economic & Family Security (Berkeley CHEFS) at the UC Berkeley School of Law, and now is the Directing Attorney at the Child Care Law Center.

Shira Wakschlag is a graduate of the UC Berkeley School of Law and a Skadden Fellow at the Disability Rights Education and Defense Fund.