

DOCUMENT RESUME

ED 346 192

UD 028 677

AUTHOR DeLapp, Lynn R.
 TITLE More Than Babysitting: Rethinking Childcare and
 Preschool Policies. California Children, California
 Families.
 INSTITUTION California State Legislature, Sacramento. Assembly
 Office of Research.
 PUB DATE Mar 89
 NOTE 42p.
 AVAILABLE FROM Joint Publications Office, State Capitol, Box 942849,
 Sacramento, CA 94249-0001 (\$3.25 each plus 6%
 California sales tax).
 PUB TYPE Reports - Descriptive (141)
 EDRS PRICE MF01/PC02 Plus Postage.
 DESCRIPTORS Child Development; *Day Care; Day Care Centers;
 Educational Legislation; *Educational Policy; *Family
 Programs; Policy Formation; Preschool Education;
 *Public Policy; State Legislation; State Licensing
 Boards; *State Programs; Statewide Planning
 IDENTIFIERS *California

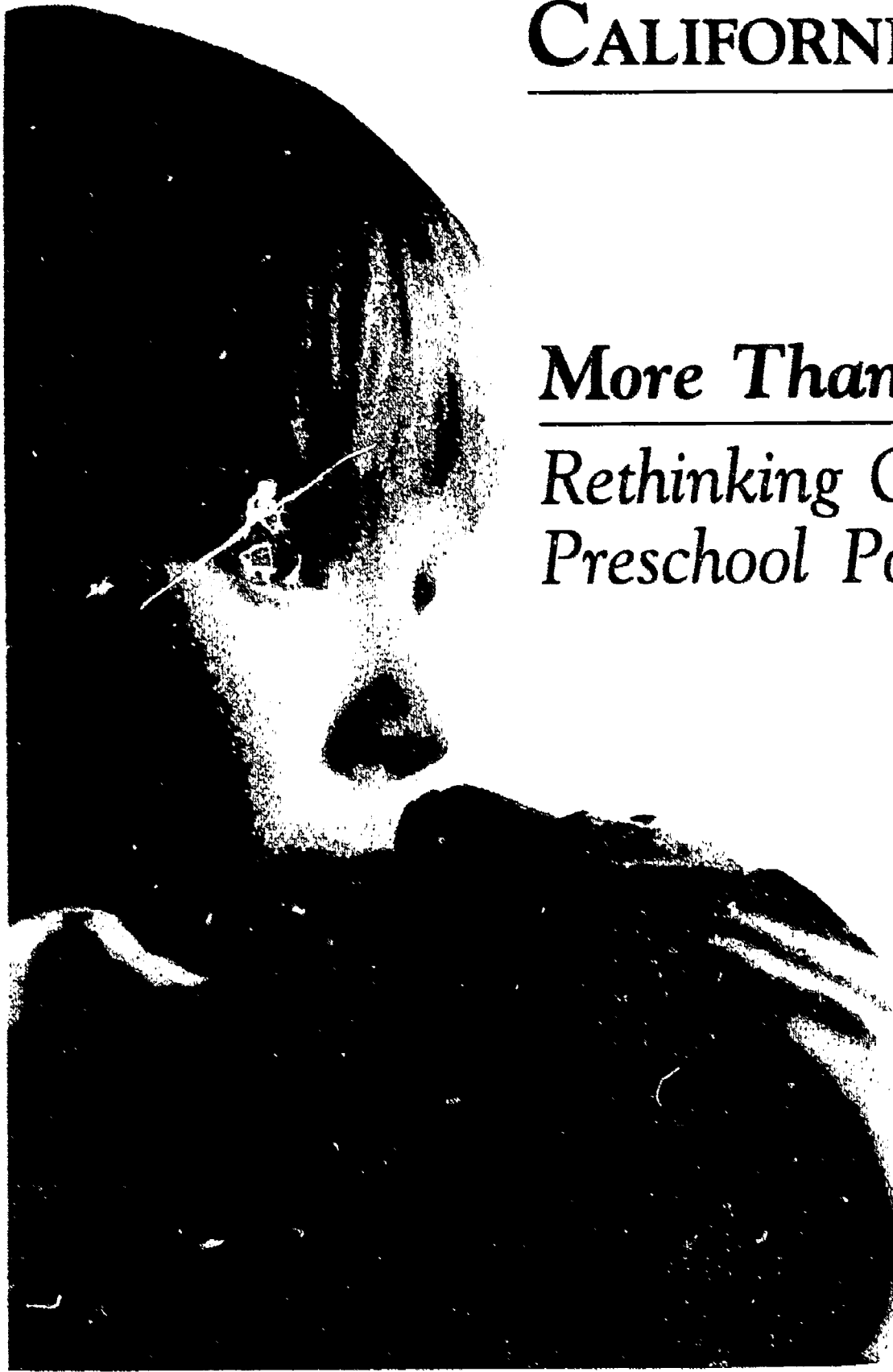
ABSTRACT

This publication offers an analysis of California families' need for childcare, and reviews policies on preschool in an effort to assist lawmakers in policy formation. The analysis discusses the history of childcare and child development programs in California with a view toward enhancing the future of young children and points the direction for immediate legislative action. Following a preface and introduction, a section on the evolution of state programs covers licensure, childcare to meet employment needs, preschool education for disadvantaged children, and assistance for all families. The next section, on current state policies, describes each of the major programs for young children including licensing, preschool education and childcare, assistance for welfare recipients, tax credits, and consumer and technical assistance. Following this, a section on policy formation principles that have guided the development of state programs points out that two of the three principles generate programs that compete for limited funds and that there is no coherent policy for childcare or agreed-upon set of priorities governing the state funds spent on young children. A final section proposes three approaches to meeting the needs of children and their parents. Included are 59 endnotes and 2 appendices containing a table displaying state childcare programs in 1988-89 and a table showing licensing versus Department of Education program requirements for childcare centers. (JB)

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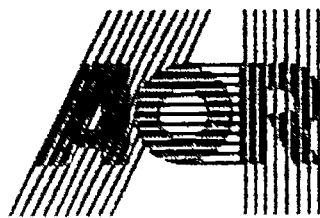


More Than Babysitting: Rethinking Childcare and Preschool Policies

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CALIFORNIA CHILDREN

CALIFORNIA FAMILIES

More Than Babysitting:

*Rethinking Childcare and
Preschool Policies*

March 1989

Prepared by:
Lynn R. DeLapp



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Assembly Office of Research

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CALIFORNIA CHILDREN, CALIFORNIA FAMILIES

A Prefatory Note

"God's own nursery" -- the phrase nicely captures Americans' perennial faith in the family as the moral bedrock of our social and political institutions. Yet there is growing concern that the American family is under siege, not only from the vicissitudes of a changing economy, but by a modern, permissive life style as well. This state of crisis, some proclaim, threatens to render extinct this building block of American society. Many others fear that our values are eroding, our confidence in the future is fading, and the continuity of our democratic way of life is imperiled.

This is not the first time that such concerns have been heard. Indeed, throughout our history, the development of social policies relating to the family have been spurred on and punctuated by the perception that the family has been under threat and in decline. Historians have traced such periods of alarm over family stability as far back as the Colonial period.

Nonetheless, some very real and remarkable changes have occurred within the last few decades in the structure and role of the family and in the environment in which families rear children. Families have become smaller and more diverse: the fastest-growing family type by far is the single-parent family. (Although the two-parent family is still the dominant family type.) Mothers, including those with young children, have entered paid employment outside the home in ever-growing numbers. The instruments of popular communication, notably television, have decisively entered the household and profoundly altered and reshaped the day-to-day affairs of children and parents alike. The family may indeed be "here to stay," as one commentator has put it, but the trend seems inexorably toward diminished family control and influence in the socialization of the young.

Coincident with these changes, we have begun to witness a growing array of signals that the young are under stress and in trouble. Specifically, a great deal of the concern over the family is rooted in

what people perceive as an epidemic of problems related to children and youth. For example, we are experiencing alarming rates of:

- Teen and Pre-Teen Substance Abuse
- Teen Pregnancy
- Teen Suicide
- Dropping Out of School
- Juvenile Crime and Gang Involvement
- Sexually Transmitted Diseases
- Teen Unemployment

These problems alone should prompt us to move beyond the lament over crisis and, indeed, beyond the mere affirmation that families are important and into the formulation of a public policy agenda for California families.

This will be a difficult undertaking. Family is a universal experience. Everyone at some time belongs to a family, and everyone has beliefs about what families ought to be. In fact, the issues raised by a family policy tap into some of our most closely held beliefs -- and into traditions rooted deep in the American experience. Any family policy must contend with these beliefs -- many of them fervently held. For example, does a change in family structure necessarily portend a crisis? Are single-parent families, by definition, incapable of functioning as well as two-parent families? A family policy must also grapple with the traditional emphasis of our society, our laws, and our social programs upon the individual, rather than the family, as the measure (and recipient) of all things.

Nonetheless, the progression from concern to policy must be made. The transition can be eased by the realization that we do, in fact, make family policy day to day. Government does things to, and for, the family both explicitly (childcare, family planning) and sometimes unintentionally (housing and land use decisions). All too often these policies are enacted willy-nilly, with no clear overall purpose, failing to take into account recent changes in family life. Senator Daniel Patrick Moynihan

has put the point well:

... in the nature of modern industrial society, no government, however firm might be its wish otherwise, can avoid having policies that profoundly influence family relationships. This is not to be avoided. The only option is whether these will be purposeful, intended policies or whether they will be residual, derivative, in a sense concealed ones. [Family and Nation (San Diego: Harcourt, Brace, Jovanovich, 1987) pp.116-17.]

Given both the remarkable magnitude of change in the family landscape, and the very real problems which beset the young, it is a reasonable suggestion that we should begin to think systematically about a family policy agenda for California. Not a single policy agenda, of course. As Senator Moynihan has wryly observed, a comprehensive family policy might be feasible in a small homogeneous society like Iceland, but it is nearly impossible in more heterogeneous nations such as the United States, and out of the question in a place so varied and diverse as the State of California. Nonetheless, the formulation of thoughtful family policies is necessary, and the responsibility falls most appropriately to state governments, since a great many policies and programs which directly impinge on family life are state programs.

California Children, California Families -- a series of publications undertaken at the request of the Honorable Willie L. Brown, Jr., Speaker of the California State Assembly -- represents a step in this direction. The series aims to heighten legislative and citizen awareness regarding how policy affects families. More concretely, we attempt to:

- (1) document and clarify recent demographic trends and their effects on families;
- (2) review the history of the evolution of the American family;

- (3) establish a system for keeping track of the very large number of bills which the legislature considers each year on family issues; and

- (4) spotlight specific trends and policies -- in such areas as health, education, foster care, welfare, recreation, childcare, and criminal justice -- which are adversely affecting families and which may require legislative attention.

Any single definition of "the family" is fraught with peril, especially in a state as large and culturally diverse as California. Yet some working definition is essential. We define "family" as a *private, noninstitutional, child-rearing unit*. Our definition stresses function over form. We believe that most Americans view certain family functions -- we term them *public functions* -- as so essential to the well-being of children and the polity that few could seriously imagine doing without them or finding effective substitutes for them. Among these public functions of the family are the socialization and teaching of values to the young; the responsibility for maintaining the health of children; and preparing the young for work and reaching adulthood.

Government policies, we believe, should strive to enable all families to fulfill these functions -- whether the families are single-parent or two-parent, female-headed or male-headed, nuclear or extended, natural or foster. The **California Children, California Families** series will attempt to assist legislators in meeting this goal.

In this sense, this report **California Children, California Families: More than Babysitting** will discuss the history of childcare and child development programs in California with the view toward enhancing the future of young children. Specifically, the data will point the direction for immediate legislative action, as well as provide a base for future, and more far reaching, change.

INTRODUCTION

Childcare and preschool education are topics of national debate. Almost every day editorial pages, radio talk shows, TV newscasts, and political speeches recite the difficulties faced by parents who are searching for adequate, affordable care. And the debate always seems to come to the same conclusion--families need more help with the care and education of their children.

For more than 75 years, the State of California has sought to respond to these needs, first through licensing childcare centers, later through the operation of subsidized childcare and preschool programs, and most recently, through financial and tax assistance to families who purchase care. Currently, the state spends half a billion dollars on some twenty separate programs administered by five departments, all of which are aimed at the care and education of young children.

As a whole, however, these programs barely dent the demand. Because each program was designed to address the problems of California families in its own way, we have, over the years, developed a hodgepodge of childcare and early education programs which are fragmented, uncoordinated, and often at cross-purposes with one another. More importantly, in most cases they

have not been adequate to solve the problems they were intended to address.

Thousands of five-year-olds cannot handle a basic kindergarten curriculum because they have not developed the physical, social, and cognitive skills necessary to cope with a structured educational setting. Welfare mothers, who would prefer to work, remain at home because they cannot find affordable childcare. Even middle-income families find that the cost of childcare eats up a disproportionate share of the family budget.

This report will examine both the history and present status of childcare and early childhood education in California. The first section will trace the history of California's involvement with these issues in an attempt to determine how we came to have such a variety of programs. Moving to the present, we will describe each of the current programs, including its objectives, cost to the state and population served. Finally, we will analyze the premises underlying all of the programs, and suggest broad approaches both for reconciling conflicting policies, and establishing better public priorities for the care and education of young children. Specific recommendations for implementation will follow after discussion of the broad policy issues outlined in this report.

THE EVOLUTION OF STATE PROGRAMS

Licensure

The oldest and most enduring state policy governing programs for young children -- protection of health and safety through state licensure and inspection -- was first enacted in 1913, soon after the first formal childcare institutions were founded in California.

These centers, known as day nurseries, were established shortly after the turn of the century as the spread of urban industrialization and the demand for cheap labor led to the first large-scale employment of women outside the home. Recognizing that female employment left many children without supervision, charitable and religious organizations established the earliest childcare centers.

Temporary centers were also established by some canneries to attract women workers during the harvest season. By 1920, the State Board of Charities and Corrections, predecessor to the Department of Social Services, estimated that there were 25 centers operated by charitable and religious organizations and 35 seasonal industrial childcare centers. Two urban school districts, Los Angeles and Oakland, also operated childcare centers through the public schools.¹

Early childcare centers were designed to serve only poor children whose mothers had been forced into employment by severe economic need. A 1928 state survey of California's 28 charitable and religious centers described the family circumstances of the 1,324 children receiving care:

"...the children come from homes where the father is dead or where the parents are divorced or separated; or from families where the father has deserted, or is ill or unemployed, or employed at such low wages as to make it necessary for the mother also to go to work."²

According to the survey, the services offered by these centers were heavily subsidized: charitable funds accounted for 64 percent of the centers' combined operating expenses, while parental payments accounted for only 21 percent. (Daily parental payment in 1928 in these centers averaged 10 to 25 cents per child.) Outside donations made up the remainder of the centers' income.

State officials tended to view childcare centers as an unfortunate response to the social and economic ills of the time. The 1920 biennial report of the State Board of Charities and Corrections described the centers as representing "...a confession of failure on the part of the community to give its children their just due -- the full-time care and attention of their own mother in the home."³

By the 1920s, private citizens were also offering childcare in their homes for compensation. Between 1900 and 1930 the Los Angeles public schools established a "considerable number" of these family day care homes as an adjunct to their system of childcare centers. Although undoubtedly providing needed services to working mothers, family day care homes were described by the Department of Social Welfare in 1928 as inadequate:

*"Establishments of this type receive no public support, and the rates which working mothers can buy are usually too low to provide care of good standard."*⁴

The 1913 licensing statute prohibited any "...person, association or corporation to maintain or conduct...any institution, home or other place conducted as a place for the reception and care of children, without first obtaining a license or permit therefor."⁵ Specific standards for licensure, first promulgated in 1920, emphasized hygiene and prevention of contagious disease.

By 1926, the standards also recommended employment of a trained nurse as well as sufficient staff to supervise the infants, "nunabouts," and older children.⁶ Placement of infants in childcare centers was officially discouraged; in 1928, of 1,324 children in 28 centers licensed by the state, only five children were under one year of age and only 43 children were under two years of age.⁷

Family day care homes, although technically included under the 1913 licensing law, were regulated under standards governing foster care homes. Licensing and inspection of foster and family day care homes were delegated to county government.

While poor working parents sought full-time care, middle-income families were looking for a very different type of program for their children. Private nursery schools, which first became popular in the 1920s, offered part-day programs of organized play and socialization for three- to five-year-olds. Based on early research on child development and consciously designed as "educational programs," nursery schools usually charged tuition and often required parent participation; both re-

quirements effectively excluded poor children and children with working mothers. Nursery schools gradually became an entrenched part of middle-class life and remain so today.⁸

Until the early 1940s, nursery schools remained outside the supervision of the state; there was a debate as to whether they provided primarily educational services, which did not require licensure, or social services, which did. Many nursery school advocates argued that licensure was unnecessary since, they claimed, children enrolled in nursery schools were "from families assumed to be above average in intelligence, with sufficient resources to exercise choice in the selection of happy and healthful conditions for their children."⁹

Childcare to Meet Employment Needs

The role of government expanded from regulation of children's facilities to the administration and financial support of childcare during the Great Depression and World War II. In 1933, as part of the Works Progress Administration (WPA) plan to put unemployed teachers back to work, President Franklin Roosevelt authorized the creation of nursery schools for "children of needy, unemployed families or neglected or underprivileged homes where preschool children will benefit."¹⁰ All personnel, from teachers to cooks, were hired from the relief rolls. The program, which incorporated the educational and parental involvement aspects of most nursery school programs, also offered nutritional and health services.

Considered to be "educational" -- not charitable or welfare programs -- WPA nursery schools were administered through state

departments of education and local school boards. Although the program served 40,000 children nationally by 1937, it was terminated in 1938 when unemployment started to ease.

Four years later, as World War II brought thousands of women to work in the defense industries, the federal government once again provided programs for young children. By 1942, it had become clear that inadequate childcare was preventing many women from entering employment in the war industries. In response, Congress passed the Lanham Act, which funded full-day, childcare centers under the rubric of "public works made necessary by the defense program."¹¹

California's program, one of the largest in the country, was placed under the authority of the Department of Public Instruction and operated by local school boards, often on school sites.

Lanham centers were intended to combine a developmental nursery school program with full-day supervision. Teachers were expected to hold teaching credentials or bachelor's degrees in child development. (In practice, only slightly over half of those hired actually met this standard.)

By the end of the War, the federal government had spent over \$50 million for the program,¹² and California had contributed \$500,000.¹³ Twenty-five thousand California children had been enrolled in Lanham centers, 18 percent of the nation's total enrollment.¹⁴

In addition to funding school-based Lanham centers, federal and state governments established wartime programs to expand private nursery schools and childcare centers,

and to recruit in-home caregivers and family day care providers. As part of this effort, new state licensing standards for childcare centers were developed in 1942. In addition to strict health and hygiene guidelines, the standards set adult-child ratios at one to ten, and included recommendations for adequate indoor and outdoor space. Staffing guidelines recommended that center directors be professionally trained in a field relating to childcare and be "mature, yet flexible, with a temperament suited to working with children."¹⁵

With the end of the War and the return of servicemen to the labor force, Congress discontinued funding childcare centers throughout the country. California was the only state that elected to continue funding for the centers to meet the needs of the large number of women who remained employed after the War.

Although the rate of female labor force participation declined from a wartime peak of 29 percent to 23 percent in 1946, it remained much higher than the prewar rate of 14 percent.¹⁶ Rather than lose good workers because of a lack of childcare, defense employers joined with parents and childcare advocates to lobby for continued state support of the Lanham centers. Bolstered by the increased need for female employment during the Korean War, this coalition succeeded in keeping the centers open on a year-to-year basis. In 1957, funding for the centers was made permanent.

Between World War II and the early 1960s, with no further economic crises to spur government involvement in early childhood programs, the state's financial support for early childhood programs remained static. The need for childcare continued to rise, however,

as both the number of working women and the population of young children increased. By 1950, the rate of labor force participation for women had again reached 29 percent, and by 1960, 35 percent of women over 14 were in California's labor force.¹⁷ This trend, coupled with the large increase in the population of young children during the post-war baby boom years created an increasing demand for childcare.

In order to serve a portion of this demand the Lanham centers shifted their focus from meeting the demands of wartime employment to serving the needs of poor, employed families. In 1947, a means test and sliding fee scale were introduced, and by 1951, 60 percent of the families served in the centers were single-parent, low-income families. During the 1950s, private, unsubsidized childcare also continued to expand; between 1953 and 1960, the number of licensed childcare centers increased from 736 to 1,006.¹⁸

In 1962, new federal funding for childcare became available for welfare recipients who participated in work or training programs. Eligibility was restricted to families receiving Aid to Families with Dependent Children (AFDC) and children were provided care in community childcare centers under contract with county welfare departments.

Preschool Education for Disadvantaged Children

Starting in 1965, preschool education for low-income children became a major focus of government involvement in early childhood programs. The federal government's War on Poverty focused national attention on the plight of poor children in this country and the damaging effects of poverty on child development

and school achievement. To counteract these problems, the federal Head Start program was established to provide low-income three- and four-year-olds with developmental skills and experiences to enable them to enter school on an equal footing with other, economically secure children.¹⁹

In California, federal funding was used to establish the State Preschool Program, a half-day program similar to Head Start, and to add a developmental curriculum to the Lanham centers. Re-labeled Children's Centers, the Lanham centers shifted their goals from "care and supervision" to "supervision and instruction."

Federal money upgraded and expanded facilities, lowered child-staff ratios, improved pay scales, and provided instructional materials, health screening, and nutritional services. By 1972, with the transfer of welfare childcare programs to the Department of Education, preschool education had become a principal focus of all state childcare programs for low-income families.

Since 1972, California's subsidized childcare programs have expanded to meet the needs of a diverse population. Although eligibility for subsidies remains restricted to low-income families or children at risk of abuse or neglect, specialized childcare programs now serve migrant families, college students, teen parents, handicapped youngsters, and others. Care is provided in community agencies and family day care homes, as well as in public school programs.

State budgetary policy and fiscal restraints, however, have limited the availability of these programs to many low-income families. In 1976, in an attempt to more effectively use

available dollars, Governor Edmund G. Brown, Jr. and the State Legislature launched a three-year pilot program. The pilot had several objectives: to address unmet needs in certain geographic areas and age groups; to lower the cost of care without sacrificing quality; to test the effectiveness of a voucher system as a payment mechanism for subsidized care; and, to provide information on available care to parents.

In order to broaden access to subsidized care, private childcare centers and family day care homes located throughout the state became eligible to serve subsidized children. Cost-saving measures included lowering the adult-child ratios for three- to five-year-old children served in state-subsidized centers, and placing a ceiling on daily reimbursement for contracting centers. In addition, many of the private centers and all of the family day care homes brought into the program were governed only by licensing requirements for staffing, without additional, more expensive Department of Education requirements. These programs were closely monitored to ensure that they provided the same quality of services as the Children's Centers.

Parents' needs for childcare information was addressed through the establishment of local childcare resource and referral agencies. Finally, a new voucher program was established which permitted parents to select care in any licensed facility, and pay for the care by vouchers.

Most of the pilot proved successful. Many of the private childcare centers participating in the pilot, however, found that they could not sustain a high-quality program at the anticipated lower reimbursement rates, and either dropped out of the program or requested

higher rates. As a result, when the pilot became permanent through Chapter 798, Statutes of 1980 (SB 863, Sieroty), new rates comparable to public programs were established for the private centers.

The centers were also required to operate under Department of Education staffing requirements if more than 50 percent of the children served were subsidized.

Assistance for All Families

During the 1970s and 1980s there has been an unprecedented peacetime movement of women with young children into the labor force.

Today, over half of all California mothers with children under six are in the workforce,²⁰ compared with only 22 percent in 1960. Changing attitudes about work as well as economic necessity have induced more women to remain in the labor market even when they have very young children. For many families, two incomes have become a necessity for maintaining a decent standard of living. California median family income, adjusted for inflation, has remained essentially stagnant since the early 1970s, while housing costs have risen dramatically. Divorce rates and the number of single mothers also have risen, forcing even more women into the labor force.

Obtaining and paying for childcare has become a major issue for middle-income families as more and more women have entered the workforce. In response, following the lead of the federal government, the Legislature enacted a dependent care tax credit for working parents in 1976.

Federal law permits parents to take a tax credit of 20 to 30 percent of employment-related childcare expenses, depending on the family's income level, up to a maximum of \$2,400 for one child or \$4,800 for two or more children. The state credit is set at 30 percent of the applicable federal credit.

In 1985, to increase the availability of care, the Legislature and Governor approved \$1 million in state funds to be contributed to the California Child Care Initiative, a large-scale public-private effort to recruit and train new family day care providers.

Also in 1985, a new childcare program was established in conjunction with California's new welfare "workfare" program, Greater Avenues to Independence (GAIN). Administered by the Department of Social Services and by county welfare departments, the GAIN childcare programs permit state reimbursement for the care of children of AFDC recipients participating in the GAIN program. Any childcare provider (licensed or unlicensed) chosen by the parents may provide this care.

The most recent state childcare program, enacted in 1988, is intended to expand employer-sponsored childcare services. Starting in 1989, employers will be permitted to

take a tax credit for a portion of the start-up and operating costs of childcare services offered to their employees.

Summary

Since 1913, when the first licensing law was passed in California, state policy concerning the protection and education of young children has steadily expanded, and taken on new functions.

From the original intent of protecting the health and safety of young children when they were outside the direct supervision of their parents, state policy expanded to provide childcare programs during the Great Depression and World War II, to enable first unemployed teachers, and then female defense workers to be employed.

The 1960s brought a new emphasis on compensatory developmental programs for low-income children, who were entering school already far behind middle-income children. Increasing demand for childcare by low- and middle-income families during the 1970s and 1980s have led to new childcare programs, and financial assistance for middle-income families.

CURRENT STATE POLICIES

Today, the State of California supports more than 20 childcare and education programs in five different state departments. (see Appendix A) Together they cost state taxpayers more than half a billion dollars.

This section will describe each of the major programs for young children, including licensing, preschool education and childcare, assistance for welfare recipients, tax credits, and consumer and technical assistance.

DEPARTMENT OF SOCIAL SERVICES: LICENSING

Since 1920, the State of California has required facilities providing care and supervision for children to meet certain licensure standards for health and safety. Today, the Child Care Licensing Program of the State Department of Social Services (DSS) oversees some 8,800 childcare centers and 38,100 family day care homes²² serving almost 500,000 children.²³

Budgeted at \$17.6 million annually, \$13.2 million is allocated for the state-operated program, and \$4.4 million is provided to 28 counties which contract with the department to license and inspect family day care homes in their jurisdictions.

The DSS program employs 190 licensing and auditing staff personnel in 15 regional offices throughout the state. These personnel approve all new childcare centers for licensure, respond to complaints, make annual inspections of childcare centers, and enforce compliance with licensing regulations promulgated under the California Child Day Care Act of 1984.

In addition, state childcare ombudsmen located in 11 of the 15 regional offices, arbitrate licensing disputes, act as liaisons with local children's agencies, and provide their communities with information on the licensing process and on special problems, such as child abuse in childcare facilities.

State licensure requirements set minimum standards for the health, safety, and supervision of children in family day care homes and childcare centers. Family day care homes are licensed to provide care for up to six children in the caregiver's home. (If the caregiver has an assistant, 12 children may be served.) Caregivers are legally exempt from licensure only if they regularly serve children related by blood or marriage, limit care to the children of one additional family, or participate in an uncompensated cooperative arrangement with other families.

To obtain a license, caregivers must undergo fingerprinting and criminal records checks, and their homes must meet minimal health and safety standards. After initial licensure, family day care homes are usually inspected only upon license renewal (every three years) or if a formal complaint is filed.

Childcare centers must meet more stringent standards for space, capacity, hygiene, safety, and nutrition. They must keep available admissions records, medical assessments for each child, and data on finances, personnel, and operating procedures. Minimum adult-child ratios for each age group must be met, and directors and teachers must meet education and experience requirements. Childcare centers must be inspected annually, or upon receipt of a complaint, by state licensing inspectors.

DEPARTMENT OF EDUCATION PROGRAMS: PRESCHOOL AND CHILDCARE PROGRAMS

The Department of Education has administered most of the state's subsidized preschool and childcare programs since 1943. Today, the Department's Child Development Division administers a variety of programs, including part-day preschool programs, full-day preschool/childcare programs, programs aimed at meeting the needs of special populations of children, and a childcare voucher program.

Budgeted at \$336.6 million, with \$332.5 million for programs and \$4.1 million reserved for state operations, the Child Development Division is composed of 67 technical staff and managers, 29 of whom administer 1100 contracts between the department, childcare operators, and voucher agencies.

All staff are located at the central office in Sacramento, with individual consultants responsible for all programs within a specific geographic area.

Preschool for Disadvantaged Children

The mission of the Department of Education's subsidized preschool and childcare programs goes beyond licensing requirements that deal only with health and safety. In addition to providing a safe, well-supervised environment, these programs are intended to

promote the educational development of children who are at a disadvantage due to poverty, abuse, neglect or family problems.

These programs include the part-day State Preschool and a variety of full-day childcare programs incorporating a preschool educational curriculum.

The State Preschool Program, which has operated since 1965, provides a one-year, part-day educational program, operating during the school year, for approximately 21,000 children between the ages of three years nine months and four years nine months.

The program is budgeted in 1988-89 at \$37 million, or almost \$1,900 for each child enrolled for the full nine-month program. To be eligible for the program, families must be receiving public assistance or earn less than 60 percent of the state median income, adjusted for family size (\$16,726 for a family of 2 or 3, \$19,915 for a family of 4); families with the lowest incomes are given highest priority.

No fee is charged for the program. Children from low-income families are admitted to the program if "they can benefit from the services provided, if their families do not speak English as a primary language, or if the children are at risk of abuse or neglect, are handicapped, or have other special circumstances that would allow them to benefit from such a program."²⁴ There is no requirement that parents be employed.

The State Preschool Program incorporates key elements identified in early childhood research which have been associated with child development and school readiness.²⁵ These elements include:

- * attentive, stable caregivers;

- * **availability of ample and varied activities;**
- * **adequate, well-designed space;**
- * **close communication with parents;**
- * **a staffing scheme which permits a high adult-child ratio and small adult-supervised groups of children; and,**
- * **caregivers trained in early childhood education.**

Agencies contracting with the Department of Education to operate the State Pre-school programs, including school districts and public and private community agencies, are required to provide:

- **an individualized activity plan aimed at meeting the physical, cognitive, social, and emotional developmental needs of each child;**
- **a comprehensive educational program appropriate to the children in attendance;**
- **a staff development program including regular training and annual performance evaluations;**
- **referrals for families in need of social services;**
- **nutritious meals and snacks;**
- **strong encouragement for parents to assist in the classroom or otherwise participate in the program; and,**
- **staffing ratios and teacher qualifications higher than state licensing standards. (see Appendix B)**

Since 1965, the Department of Education has also required a preschool curriculum in many of the subsidized full-day and full-year

childcare programs operated by the department. In total, the subsidized childcare programs serve about 90,000 children annually, ages 0-13, at a cost to the state in 1988-89 of \$282 million, or about \$4,650 for each full-time, full-year enrollment.

These programs are geared to meet the needs of working parents, and are usually open five days a week from 7:00 a.m. to 6:00 p.m. Families are eligible for admission to the program if their income is less than 84 percent of the state median family income adjusted by family size, or if they are receiving an AFDC grant.

Children may remain in the programs until their family income rises to 100 percent of the median family income. Families with incomes over 50 percent of the median income pay fees on a sliding scale, and new applicants to the program are placed on waiting lists, with lower-income families receiving higher priority.

Children identified as suffering from, or at risk of, abuse or neglect are put at the top of waiting lists. In addition to income eligibility requirements, all parents in the household must be employed, seeking employment, participating in a vocational training program, incapacitated, or homeless.

About two-thirds of the 90,000 children in subsidized programs are enrolled in three full-day subsidized programs which include a required preschool curriculum:

- * **53,900 children are enrolled annually in the General Child Care Center Program, including school-based Children's Centers, County Social Services programs, and private, non-profit childcare centers;**

- * 3,800 children with student parents receive care in Campus Childcare centers. These centers are often used as a laboratory for students studying child development; and,
- * 2,300 children receive care in seasonal Migrant Child Care programs. These programs, often located in migrant camps, serve families who are employed in agriculture, fishing, or related industries.

Childcare Programs for Specific Populations

Another 20,000 children are served in other subsidized childcare programs administered by the Department of Education through contracts with public or community agencies, or with family day care networks. These programs provide educational and childcare services to specific populations of children:

- * The School Age Community Child Care Program serves 14,000 children ages six to 13 on, or near, elementary school sites. Care is offered to children before and after school and during school holidays;
- * The Family Child Care Home Program provides care to 1,200 children. This program is designed to serve infants and other children whose parents prefer a small family setting to a large childcare center;
- * The Severely Handicapped Child Care Program serves 200 disabled children annually in six specialized childcare centers. In addition, 100 disabled children are served in a ten-site "mainstreaming" program which places and offers support

services for handicapped children enrolled in other subsidized childcare centers. (The federal government also serves about 6,500 California children through its Handicapped Preschool Program.);

- * The School-Aged Parent and Infant Development Program serves 1,300 infants and their mothers each year. This program provides childcare and parent education programs on high school sites. Eligibility is based on the mother's enrollment in the seventh through twelfth grades; and,
- * The Respite Care Program provides short-term care to 2,300 children annually who are either suffering from, or are at risk of, neglect or abuse, or whose families are experiencing serious illness or other family crisis.

Subsidizing Childcare by Vouchers

In addition to the direct service programs described above, the Department of Education administers the Alternative Payments voucher program, which serves 8,500 children annually. The Alternative Payments program permits parents to select childcare from any licensed facility in the community; the facility is then reimbursed by the state at local market rates.

There are no specific program requirements for childcare providers participating in the program; facilities are required only to meet licensing standards. Due to the flexibility of vouchers, the Alternative Payments Program is especially responsive to meeting the needs of families who need infant care, who

prefer care in a family day care home, or who live in a rural area.

In most areas, costs for the Alternative Payments Program are lower than the subsidized contract centers, primarily because about half of the families in the program use less-expensive family day care.

DEPARTMENT OF SOCIAL SERVICE: PROVIDING CHILDCARE FOR WELFARE FAMILIES

During the past ten years, studies of family poverty in the United States have reported that a lack of affordable childcare is a prime factor keeping poor single mothers out of the work force and on welfare.

- * A 1982 Census study found that 36 percent of unemployed women with family incomes under \$15,000 and with a youngest child under age five would look for work if childcare were available at a reasonable cost. Of the single mothers surveyed at that time, 45 percent indicated that an unmet need for care kept them from working.²⁶
- * A 1986 survey of welfare participants by the National Social Science and Law Center reported that nearly two-thirds of those responding cited difficulties with childcare arrangements as the primary problem in seeking and keeping jobs; 76 percent of the women surveyed who had given up job-hunting cited childcare problems as the reason.²⁷
- * The U.S. General Accounting Office re-

ported that about 60 percent of Aid to Families with Dependent Children (AFDC) work program respondents were prevented from participating in work programs because of lack of childcare.²⁸

To alleviate these problems in California, the state funds two programs through the Department of Social Services to assist participants in AFDC work and training programs in finding and paying for childcare.

The AFDC Income Disregard program, which is funded by both the state and federal governments, permits employed AFDC parents to deduct up to \$160 per month for childcare expenses from their earnings for the purposes of calculating AFDC grants.

Approximately \$9.8 million in state money is spent annually for this purpose; the federal government contributes \$11.8 million. No figures are available on the number of children covered by the AFDC childcare income disregard mechanism, but the Department of Social Services estimates that 12,300 California AFDC parents use this mechanism monthly.²⁹

A far more extensive effort, the GAIN childcare program, was established in 1985 to provide care to children of participants in California's new workfare program, Greater Avenues to Independence (GAIN).

Children receive care while the participating parent is in training, and for the first three months of employment. Parents are assisted in finding childcare, and may choose any childcare provider (licensed or unlicensed) for their children. There are no requirements for specific program content.

Each county operates its own program,

based on a local plan for GAIN services. Because many counties have little experience administering childcare programs, however, the majority contract with local childcare resource and referral agencies providing counseling and referral services to GAIN parents seeking childcare. In addition, some counties contract with resource and referral agencies to recruit and train new childcare providers, or in some cases, administer the entire voucher program.

To date, this program has been used by about 9,500 participants with 10,000 to 15,000 children,³⁰ considerably fewer than originally projected.

So far, most GAIN parents have preferred to place their children with friends or relatives in unpaid care during the short training period, and have not yet "graduated" to the transitional period of employment. Further, since most GAIN participants' children are currently over six years old³¹ and in school for much of the day, many have not needed formal childcare during their parents' training period.

In addition, many counties are still phasing into GAIN and many of their programs are not yet fully operational. Although approximately \$84 million has been budgeted for the 1988-89 fiscal year, counties operating the program project that they will spend only \$30-35 million this year. (In 1987-88 only about \$7 million was spent.)³²

GAIN childcare should expand greatly as more counties enter the program, and as more GAIN recipients move from the part-time training phase to full-time work. In addition, recent federal welfare reform legislation is expected to substantially increase the use of the program; the new law requires welfare

recipients with children as young as three years old to participate in a work program, and offers payment for childcare for a full year after employment.

GENERAL FINANCIAL ASSISTANCE FOR CHILDCARE: STATE TAX POLICIES

Low-income families are not alone in feeling the pinch of childcare expenses. Full-time care for two children under five years old, while averaging \$550-600 per month statewide,³³ can cost \$700-800 in urban areas where demand is high and supply relatively low. In response to widespread concern over these costs, the federal and state governments have enacted several tax policies to assist parents in paying for care. The California Legislature has also recently enacted a tax program to encourage employers to establish childcare programs for their employees.

Income Tax Credits

Since 1976, the U.S. Congress has allowed taxpayers to claim a dependent care credit on their personal income tax.

Federal law permits families to take a sliding tax credit of 20 percent to 30 percent of employment-related childcare expenses (up to \$2,400 for one child, or \$4,800 for two or more children), depending on the taxpayer's adjusted gross income.

A family with an adjusted gross income over \$28,000 may claim a 20 percent credit up to \$480 for one child and \$960 for two or more

children, while a family with an income under \$20,000 is eligible to claim 30 percent of expenses, up to \$720 and \$1,440. In order to claim the credit, both parents must be working or attending school.

In 1976, California enacted its own state tax credit. Although the size of and restrictions on the credit have changed over the years, California taxpayers may now claim a state credit equal to 30 percent of the applicable federal credit.

For families with incomes over \$28,000, the maximum state credit is \$144 for one child and \$288 for two or more children. Those with incomes under \$20,000 are permitted to claim up to \$216 and \$432.³⁴

Dependent Care Tax Credits

(assumes maximum expenses claimed)

Income	Federal Credit	State Credit	Total
Under \$20,000			
One Child	\$720	\$216	\$936
Two or more children	\$1440	\$432	\$1872
Over \$28,000			
One child	\$480	\$144	\$624
Two or more children	\$960	\$288	\$1248

(Between \$20,000 and \$28,000, the credits decrease on a sliding scale)

In 1986, the last year for which figures are available, the state dependent care tax credit cost \$26 million in lost tax revenues; in 1987, with the credit increased from a sliding scale of from five to 10 percent of the federal credit to a flat 30 percent, the Franchise Tax Board has calculated a \$110 million tax expenditure.³⁵

Dependent Care Assistance Plans

Taxpayers may also benefit from Dependent Care Assistance Plans established by their employers. Through plans authorized by Sections 125 and 129 of the federal Internal Revenue Code, expenditures up to \$5,000 per year for dependent care may be deducted from the employee's taxable income as an employee benefit.

Employers are subject to lower payroll taxes, and employees participating in these plans, although restricted from claiming the dependent care tax credit, can realize significant savings on their personal income tax.

Dependent Care Assistance Plans primarily benefit employees who have family incomes of over \$30,000 per year. Employees with lower incomes generally find the dependent care tax credit gives greater tax savings. Although we do not have information on the amount of tax revenue lost to the state through use of these benefit plans, it is expected to grow as more and more employers take advantage of these relatively new tax breaks.

Childcare Tax Credit for Employers

During the 1988 Legislative Session, a new tax credit was enacted for employers who provide childcare services for their employees through Chapter 1239, Statutes of 1988 (SB 722, Hart).

Under this new tax provision, employers

will be allowed to take a 30 percent tax credit on startup costs for new programs and on-site childcare centers up to \$30,000, and a 50 percent credit for ongoing operating costs of the programs up to \$600 for each eligible full-time employee.

Although the credit is projected to cost the state \$8 million in lost revenue,³⁸ it is much too early to assess either the effects or the actual costs to the state of this new tax policy. Sponsors of the legislation hope, however, that it will generate a significant number of new childcare facilities in California, and increase employee recruitment and retention while helping employees meet their childcare costs.

CONSUMER AND TECHNICAL ASSISTANCE

In addition to licensing, provision of educational and childcare programs, and tax policies aimed at assisting parents and employers with childcare expenses, the state supports programs which provide consumer and technical assistance to childcare operators and parents, and which work to increase the supply of childcare in California

Resource and Referral Agencies

Searching for childcare can be a difficult experience for parents of young children. Many parents know neither what to look for in a caregiver, nor how to find one. In response to parental concern, in 1976 the Legislature approved funding to establish a network of resource and referral agencies.

Today, \$7.6 million is budgeted annually through the Department of Education to fund 65 agencies located in every county in California. These agencies develop information files on childcare in their communities, provide referrals to licensed childcare providers for parents in search of care, and provide information and resources on childcare to parents and caregivers.

In addition to telephone counseling and referrals, most resource and referral agencies provide brochures or workshops for parents on how to find care, taking into account the types of care available in the community, the age of the child, group size, the cost of care, and other pertinent factors.

Resource and referral agencies have also been charged with improving the quality of childcare in the community by offering technical assistance and information to community childcare providers. Under the state Education Code, resource and referral agencies are required to disseminate information to providers setting up new childcare services; to offer resources to help existing childcare providers better serve families; to disseminate information on childcare policy issues to providers; and, to facilitate communications between childcare providers and other social agencies.

In many areas of the state, resource and referral agencies have set up special training programs for childcare providers, established technical and toy lending libraries, and set up data bases on community childcare needs and usage. In most communities, they have become a central resource for childcare information and services for parents and caregivers, alike.

Recruitment

For each of the last three years, the State Budget has allocated \$250,000 toward the California Child Care Initiative, a three-year public-private effort to increase the supply of high-quality family day care in California.

Spearheaded by the BankAmerica Foundation and funded by 33 corporate and public sponsors, the Initiative has worked with the California Child Care Resource and Referral Network to design recruiting and training materials, for use in six metropolitan areas: Long Beach, Sacramento, Concord, San Francisco, Bakersfield, and the western part of Los Angeles.

Resource and referral agencies in these areas, working closely with local community colleges, state licensing officials, family day care associations, and others, began implementing the project in 1985, focusing on recruitment, training, technical assistance, and help with start-up for new family day care providers. Ten new sites were added to the Initiative in 1986.

During 1988-89, the sponsors of the Initiative hope to disseminate the program throughout the state, funded by local monies.

Evaluation data on the first two years of the Initiative indicate that it has met many of its goals. Almost 800 new family day care providers have been recruited, generating space for 3,060 children. In addition, over 3,500 providers have received training through workshops, home tours, and start-up sessions for new providers, and 7,400 requests for services, information, and technical assistance have been met.³⁷

In addition to supporting private sector efforts, the state has also supported expansion of childcare for its own employees. Since 1982, the state has required that all new state buildings provide space for childcare, and since 1985, the state has assisted its own employees to start childcare facilities in or near state buildings.

Supported by a \$1 million fund, and assisted by staff from the Department of Personnel Administration, state employee groups have established at least ten childcare centers throughout California for state employees.

A POTPOURRI OF CHILDCARE PROGRAMS BUT NO COHERENT POLICY

The State of California supports a broad range of programs for the care and education of young children. The state licenses childcare facilities, provides preschool and childcare services to low-income children, subsidizes childcare for welfare recipients who participate in work or training programs, offers tax credits to taxpayers who purchase childcare, and supports consumer and technical assistance programs for parents and caregivers.

Yet there is no coherent overall policy for childcare, no agreed-upon set of priorities governing the half-billion dollars we spend on young children.

Currently, three general premises underlie California's support of programs for young children:

1. The state should protect the health and safety of children when they are outside the direct supervision of their parents;
2. Where necessary, the state should assist young children in developing the basic cognitive, social, and physical skills considered to be the foundation of success in school; and,
3. The state should support parental employment by assisting with the funding or provision of childcare for low-income working parents.

The first premise presents relatively few problems. For at least 75 years there has

been an overall consensus that the state should use its licensing and enforcement powers to protect children while they are in childcare facilities.

As a result, virtually all childcare centers, and a large but unknown proportion of family day care homes, operating in California today are licensed and regularly inspected by state or the county agencies. Moreover, only facilities which are licensed (or legally exempt from licensure) are permitted to receive public funds from state-sponsored childcare programs.

Although some people continue to argue that licensing represents unnecessary government interference in family life and that parents should be the sole arbiter of childcare for their children, or that the licensing laws are too lax to effectively protect children and should be abolished, most parents, educators, and policymakers agree that state regulation of childcare facilities is an appropriate and beneficial use of government power and funding.

The other two premises present greater problems. Since both are aimed at meeting huge unmet needs for services, and both require spending large amounts of money to meet these needs, they may end up competing for limited attention and funding.

Preparing Children for School

More and more California children are entering kindergarten without basic skills and

attitudes that they will need to negotiate their way through the academic system.

Children who have not acquired these skills and attitudes (i.e., positive attitudes toward school, basic language skills, social competencies, including attentiveness to teachers and task perseverance) may not be able to keep up with the other children.

Once a child experiences serious difficulties in school, it is difficult to reverse the trend. Problems with academic performance in the early years of school frequently lead to low self-esteem and active dislike of school, repeated grades, and even dropping out of school altogether. Typically, these children come from low-income families, who have not been able to provide the educational and developmental activities found in middle-income households, but there are also middle-income children who, because of neglect, abuse, or other circumstances, enter school unprepared.³⁸

Early childhood research tells us that preschool programs aimed at three- and four-year-olds can make a significant difference in children's lives.

Evaluations of programs such as Head Start and the Perry Preschool, show that low-income children who attend preschool programs tend to be more successful in their later lives than children who did not attend such programs. Children enrolled in these programs performed better during the crucial first years of school. They also repeated grades less frequently in elementary school, and were placed less often in special education classes.³⁹

The Perry Preschool study followed former enrollees for 16 years, to age nineteen.

After 16 years, former preschool students had higher rates of high school graduation and employment, and lower rates of teen pregnancy, fewer arrests, and less reliance on welfare⁴⁰ than their peers who had not attended preschool. (See Chart)

Preschool Performance

Educational/Social Economic Factors	Preschool Group	No Preschool Group	Preschool Group vs. No Preschool Group
HS Graduation	67%	49%	+37%
College or Voc. Ed. Training	38%	21%	+81%
Functional Competence (average or above)	61%	38%	+61%
Ever Classified as Developmentally Disabled	15%	35%	-57%
% of School Years Spent in Special Education Programs	16%	28%	-43%
Ever Detained or Arrested	31%	51%	-39%
# of Teenage Pregnancies per 100 Females	64	117	-45%
Employed at age 19	50%	32%	+56%
On Welfare at Interview	18%	32%	-44%

Source: L.J. Schweinhart, J.R. Barreta-Clement, A.S. Epstein and David P. Weikart. "Effects of the Perry Preschool Program on Youths Through Age 19. A Summary" Topics in Early Childhood Education, 52 1985, 32.

Although research on the effects of preschool on middle-income children is scarce, and the results are not as dramatic, several studies have also shown clear benefits for these children as well.

One recent study of middle-income children found that children who were evaluated four years after attending a childcare facility with a high adult-child ratio and a preschool curriculum were happier and interacted better with both children and adults than children who had attended a facility with lower staffing standards and a less enriched curriculum.⁴¹

Several other recent studies have examined the interaction between a child's family situation and early childhood programs, concluding that even in middle-income households, a high-quality children's program may mitigate the negative effects of poor family situations. Thus, the evidence appears to be building that preschool programs may have positive effects on many middle-income children as well as low-income youngsters. Research aside, the fact that a majority of middle-income parents send their children to preschool programs⁴² demonstrates a popular belief that the programs do help all types of children prepare for school.

Successful preschool programs come in very different shapes and sizes. They range from three-day-a-week, half-day programs offered over a nine-month period, to full-day, full-year, multi-year programs. They can be conducted in schools, childcare centers, family day care homes, or almost any public or private facility meeting minimum standards for health and safety.

The common denominator of these programs are that they are richly staffed and have well-trained teachers who understand the needs and abilities of young children and who can design a program aimed at developing basic school-readiness skills.

Compared to many childcare facilities

without preschool curricula, however, they are also more costly to operate, and are often beyond the budget of low-income families.

The need for preschool programs, particularly for low-income children, is increasing rapidly. Over the five-year period from 1980 to 1985, the proportion of children living in families with income below the poverty line rose from one out of five children to one out of four.⁴³

Today, based on the current income eligibility standards for subsidized childcare, at least 416,000 three- and four-year-olds qualify for subsidized preschool programs.⁴⁴ Yet at most, we serve only about 105,000, or 25 percent of children aged three and four years in government-subsidized preschool programs.

Only 21,000 children are enrolled annually in the State Preschool Program. About 40,500 California children attend federally-supported preschool programs, 34,000 in Head Start and 6,500 in the new Handicapped Preschool Program. In addition, approximately 43,000 children aged three and four are enrolled in full-day subsidized programs, many, but not all, of which provide preschool curricula. An unknown number of children participating in the GAIN childcare program probably also attend private preschool programs chosen by their parents.

Despite both the need for such services and the demonstrated success shown by preschools in preparing young children for success in school, there has been very little expansion of such programs.

A major reason is cost. Most of the components of the preschool curriculum which

have been linked to student success -- high adult-child ratios, small groups, and well-trained staff -- also add to the expense of the program. As noted above, the state already spends almost \$1,900 for each child attending the State Preschool, for a half-day program lasting nine months.

To provide half-day preschool programs to all three- and four-year-old children who qualify for state-subsidized programs but are not currently served would cost about \$591 million,⁴⁵ exclusive of capital expenditures, almost \$100 million more than we currently spend on all preschool and childcare programs for children up to age 14.

And expanding the subsidized half-day preschool program would not meet the childcare needs either of families who do not qualify for subsidies, or those who need care for their children on a full-time basis. Given a choice, many parents would choose full-day childcare for their children over a part-day preschool program because full-day childcare is necessary to remain employed.

Supporting Parental Employment

For many California families, childcare is both hard to find and expensive. Traditionally, many working parents have left their children with relatives or friends, often in unpaid arrangements. Today, however, the number of working mothers has increased significantly, and many of the grandmothers and neighbors who used to be available to watch children are themselves in the work force. As a result, affordable informal care has become more difficult to find.

Although the supply of formal (i.e., licensed) childcare has grown substantially over the past ten years, it remains inadequate to meet the needs of many families, especially those with infants under two years of age and school-aged children six to 13 years old. (Licensed care for three- and four-year-old children is generally more plentiful.)

Despite widespread demand for licensed infant care reported by the state's childcare referral agencies,⁴⁶ a 1987 survey of family day care homes and childcare centers in California indicated that licensed care is provided for only 30,550 infants in family day care homes, and 11,340 infants in childcare centers, out of approximately 150,000 children under age two with working mothers.

Moreover, the geographic distribution of licensed infant care in childcare centers is uneven: in 1987, centers in 21 of California's 58 counties enrolled fewer than 10 children under age two.⁴⁷ Center-based infant care is also expensive. Because state licensing standards require a higher adult-child ratio for infants (1:4) than for older children (1:12), and specialized equipment, such as cribs, high chairs, and changing tables, must be provided, childcare centers charge an average of \$81 per week, \$20 more per week than for older children. Family day care operators charge an average of \$63 per week, about \$3 more for infants than for older children.⁴⁸

Care for school-age children also poses problems. Although parent surveys invariably identify a lack of care for school-age children as a major concern, we have little good data on how school-age children of working parents spend their time when they are out of school.

Of approximately 1.6 million children aged six to 13 with working mothers, only about

96,000 receive care in licensed centers and family day care homes.⁴⁹ While a significant but unknown number are served in informal childcare arrangements, including athletic activities, Scouts, community activities, or care by a relative or neighbor, many children as young as seven or eight undoubtedly go home to an empty house or congregate at the nearest shopping mall or public library.

Even when care is available, paying for it can be a major problem, especially for families with limited incomes.

A family earning \$1 250 per month (\$15,000 a year), for example, with an infant and a three-year-old in full-time licensed care, would have to pay between \$500 and \$600 a month for childcare, close to half of a monthly paycheck. Taking into account other required outlays for rent, food, transportation and clothing, this expense may well be impossible without financial assistance.

Many of the state's childcare programs, while differing in their approaches and the populations they serve, attack the dual problems of availability and affordability for parents who need childcare in order to work.

Childcare is offered through centers contracting with the Department of Education, childcare vouchers are provided by the Department of Education and the GAIN Child Care program, and tax relief is offered through the Dependent Care Tax Credit and Dependent Care Assistance Plans. In addition, the state also supports resource and referral agencies, which help parents find childcare, and the California Child Care Initiative and Employer Child Care Tax Credit, which are aimed at building the supply of care.

Because the top priority of all of these

programs, with the exception of the Department of Education preschool/childcare programs, is support of parental employment, little attention is paid to the content of the programs attended by children whose care is funded by these programs. Thus, two children from low-income families who both qualify for state-subsidized care and are equally in need of a preschool curricula could find themselves receiving vastly different levels of service depending on whether they receive care in a program funded through the Department of Education and governed by the more stringent "preschool" (Title 5) regulations, or whether they are in a program funded by the Department of Social Services GAIN program, which might meet only minimum licensing (Title 22) standards.

As with preschool programs, state childcare programs to support parental employment also fall far short of meeting the demand or the needs of many California families for available, affordable, reliable care.

Among children in low-income families eligible for the Department of Education's subsidized programs, only about 12 percent of children under 11 years of age, and nine percent of children under six can be accommodated; in February 1986, there were more than 134,400 children on waiting lists for these programs.⁵⁰

And although the GAIN Child Care Program is currently funded to provide services to all GAIN participants seeking them, the three-month limit on subsidized care after the parent gains employment has proven insufficient to allow many parents to obtain either employment that pays enough to support childcare, or a space in a Department of Education subsidized childcare program.

For families with higher incomes, the state tax credit barely makes a dent in annual childcare expenses. It provides no relief at all for families with annual incomes under \$17,500 -- families who pay no taxes but still may incur significant childcare expenses.

Even the support services offered by the resource and referral agencies have not kept up with the demand for even the most basic services.

Although the number of requests for care have trebled since 1976, most resource and referral agencies have not been able to increase the number of staff providing services since they were first established. As a result, in many areas, staff devote virtually all of their time to their top priority activity -- parent counseling and referrals -- and spend little time assisting childcare providers or providing information on childcare to community agencies or potential providers.⁵¹ Further, many resource and referral agencies are being supported on highly inequitable allocations, resulting in very disparate levels of service in California communities. This inequity is based on early funding decisions.

The first group of resource and referral agencies were funded on the basis of grant proposals, which did not always reflect the local population or community needs, while agencies which were funded later received funds on the basis of the population served. With minor adjustments, cost of living increases merely perpetuated these allocation disparities.

As a result, in 1988-89, the Shasta County Resource and Referral Agency was allocated \$170,000 to serve a population of about 184,000 residents in Shasta and Tehama counties, while the San Joaquin County agency was allocated only \$69,642 to serve a population of over 450,000.⁵²

Parents who cannot obtain additional assistance in finding or paying for care usually resort to putting together whatever patchwork arrangement of informal childcare they can work out, relying often on a combination of three or four individuals to cover their childcare needs. And if one part of the patchwork falls apart--if Grandma gets sick, the neighbor wants to take a short vacation, or the babysitter is late -- the parent is likely to be late to work, absent altogether, or frequently on the telephone checking on that day's childcare arrangement. If informal care is unavailable or becomes too unreliable, parents may be forced to leave their employment altogether.

Here again, cost has been a major deterrent to expansion of state support of childcare. To provide subsidized care for all unserved children from birth to age 10, whose parents are employed and meet the Department of Education's standards for income eligibility for subsidized care, could cost around \$1.7 billion.⁵³

And if we were also to assist middle- and upper-income families, perhaps by increasing the state tax credit, the cost to the state could rise still further.

MEETING THE NEEDS OF CHILDREN AND THEIR PARENTS

There is little doubt that many children need preschool in order to succeed in school, and also that many parents need financial assistance to pay for childcare so that they may work. But how, within our limited state resources, can both be done? There are several ways to approach this problem:

- 1) Change licensing regulations so that all childcare facilities would be required to provide a preschool curriculum;
- 2) Vastly expand the Department of Education's part- and full-day preschool programs which serve the needs of both parents and children; or,
- 3) Start building a new public-private, state-local system of childcare in which the responsibilities -- and the costs -- of childcare are more broadly shared.

CHANGING LICENSING STANDARDS

As noted above, preschool programs are characterized by certain features, including adult-child ratio and staff training requirements higher than those required by current licensing requirements.

Theoretically, by changing the licensing laws to be roughly the same as the requirements of the Department of Education's preschool programs, we should be able to provide all three- and four-year-old children in

childcare facilities with a preschool program, and, thus, increase the odds that they will succeed in school.

In practice, making these changes to the licensing laws would present serious problems and might not, in fact, result in the desired changes in childcare facilities.

Raising licensing standards would have a significant impact on the childcare market. Although some facilities already offering preschool programs on their own would feel little effect if licensing standards were raised, many lower-cost full-day childcare programs and family day care operators would experience serious disruption.

The two most serious problems would be staff shortages and higher operating costs. Hiring enough staff to meet higher staff-child ratios would be very difficult, as there are currently shortages of childcare workers and trained early childhood teachers. Moreover, there is little incentive for workers to obtain training and enter the field. The work is fatiguing, and the pay is very low.

Nationally, in 1986, the median annual income for full-time childcare workers was \$9,464; for childcare workers employed in private households, including family day care operators, median income was \$4,732.⁵⁴

In California, recent salary surveys conducted in Sacramento, Alameda County, and Los Angeles showed childcare workers earning an average of about \$5 per hour,⁵⁵ less than many parking lot attendants or kennel cleaners. Further, very few California child-

care workers receive such basic benefits as vacation or health insurance.

Not surprisingly, turnover among childcare workers is very high. In 1984, according to the U.S. Bureau of Labor Statistics, the annual turnover rate was 42 percent for staff in centers, and 59 percent for family day care providers.⁵⁶ As a result, many childcare center administrators now face almost continuous understaffing, leaving children without adequate, consistent care.

The increasing population of children needing care further exacerbates the problem. Today in California, over 40 percent of all children under age five and over 54 percent of all children ages six to 14 have working mothers.⁵⁷

These rates are projected to rise steadily through the 1990s, until two-thirds to three-quarters of all children have employed mothers. At least half of these children will continue to require some form of care outside their home from non-relatives.

As a result, the demand for childcare teachers is projected to grow between 38 and 44 percent during the next decade, as compared to an increase of between 23 and 28 percent for the overall labor force.⁵⁸ To find enough people willing to devote their careers to young children for such low remuneration, even under current staffing regulations, will be extremely difficult.

Finally, raising the number of staff required in childcare facilities would increase the cost of providing care -- a cost that would inevitably be passed on to parents. While many middle-income families could absorb higher costs (and may already be paying

above-average fees if they have enrolled their children in private preschool programs), low-income families may be unable to pay higher fees.

Unless these families were offered financial assistance, childcare programs operating in low-income areas where costs could not be passed on might well close down, leaving low-income children without care.

Although most observers would agree that there is considerable room for improvement in the operation of many children's facilities, changing licensure requirements may not be the best way to make these improvements.

Licensure covers all types of children's facilities, which meet a wide variety of parents' and children's needs. Caregivers serve children ranging from infants to pre-teens, in facilities ranging from small family day care homes to church-run nursery schools and from sophisticated preschools to school-yard after-school programs. Some children receive care for only a few hours each week, while others may spend 50 hours weekly in care. And, while some children may need enriched programs, others need only a safe place to play with other children.

Considering this wide variety of needs and facilities, it may be neither necessary nor appropriate to impose new blanket requirements on all caregivers. Further, more changes in licensing standards to include curriculum guidelines would alter the nature of the licensing function; from enforcement of relatively objective basic health and safety standards to judgement of more subjective program standards. The current licensing system is not well equipped to take on such a broad mandate.

To be able to monitor such standards, inspectors would need more training in child development, and even then enforcement would be very difficult.

EXPANDING SUBSIDIZED CHILDCARE/PRESCHOOL PROGRAMS

Many observers believe that the best way to meet the needs of both children and their parents would be to expand the Department of Education's childcare/preschool programs to serve, at parental discretion, all children from birth to age 10 whose families meet the programs' eligibility standards.

These programs, by all reports, offer both high-quality preschool curricula and schedules that suit working parents. In order to meet families' needs for a diverse childcare system, however, we must ensure that low-income children are not segregated in separate programs. Such an expansion should incorporate into the program a wide range of existing childcare facilities from neighborhood family day care homes to church-based nursery schools to after-school recreation programs.

As already noted, the cost of expansion would be high, perhaps as much as \$1.7 billion, depending on utilization of the program and the mix of preschool part- and full-day programs selected by parents.

It is unlikely, considering current budget restraints and other priorities, that the Legislature and Governor would be willing to increase the current budget for all childcare programs four-fold to pay for this expansion.

And while any increase in the budget will help some families, without a very substantial increase in funding, we will still make scarcely a dent in the need for care.

BUILDING A NEW SYSTEM

Another way to increase support for preschool/childcare is to encourage development of state-local, public-private coalitions to share the responsibility for providing and paying for services to families.

As a society, we have been caught unprepared for the major changes in family and community life brought about by the unprecedented -- and apparently permanent -- participation of mothers with young children in the labor force.

Suddenly, it seems, every young family is scrambling to meet the needs of both children and employer, and expressing concern because they cannot find affordable childcare which meets their needs. So far, we have left these problems to each individual family, arguing that more than a minimal government presence would interfere with the prerogatives of the family.

The result has been a patchwork system of early childhood education and childcare, driven by supply, demand, and ability to pay. Upper-income parents are usually able to find and pay for high quality, preschool-type programs for their children, while poor families who do not qualify for (or cannot get into)

subsidized preschools, use whatever care they can afford. Poor children are most likely to benefit from preschool programs, are most likely to fail in school without preschool, but are least likely to get the attention they need.

Instead of continuing to rely solely on parents--with limited government assistance--to meet the childcare and educational needs of young children, it is time for California to develop a master plan for a state-local delivery system for services for young children, such as was done for education, public health, and other social services.

The intent of this re-structuring would be to meet family needs on the local level, where needs can best be perceived and services provided. In doing so, it is also time to recognize that the state cannot carry the full financial burden for low-income families; a new system should be based on broad financial support, from all segments of society which benefit from preschool education and childcare.

The benefits of childcare and education go far beyond the family. Employers depend on reliable childcare to maintain the attendance and productivity of their workers. In the near future, as the population of young entry-level workers decreases substantially, employers will recruit new workers primarily from the population of women who are not currently in the workforce.⁵⁹ To do so, there must be an adequate supply of childcare. Employers also benefit from a well-educated workforce, which can be enhanced by a comprehensive system of preschool education.

Schools also reap significant benefits from preschool programs which adequately prepare children for school, and may forestall the

need for remedial education and other compensatory problems.

In addition, local governments benefit from childcare and education problems as the pressing needs of residents are served.

To be sure, a few employers, school districts and local governments have recognized the need for childcare.

A few hundred employers in California have instituted benefit plans including childcare, and perhaps thirty have established childcare centers on or near the worksite. A growing number of school districts have opened up their buildings for after-school care. Approximately fifteen California cities and counties have appointed childcare coordinators to attend to local childcare problems. And many resource and referral agencies have spent considerable time and energy working to increase the supply of care in their communities.

Yet these efforts are often uncoordinated, and, compared to the need, meager. More effort, and full participation by these groups and others, will be needed to put together a system which will meet the needs of California's families.

The care and education of California's young children must become a top priority for policymakers at every level of government. If we invest in our children now, we can literally change the course of their lives, increasing the prospects that they will become effective students, valued workers, and fully participating citizens. If we fail to act, however, we risk condemning a large number of children to marginal education and less productive lives.

ENDNOTES

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25. Many reports and research compilations describe the criteria for child development in early childhood programs. Some of the most useful include:
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 - (b) Abt Associates, National Day Care Home Study: Family Day Care in the United States, 1981;
 - (c) National Association for the Education of Young Children, Accreditation Criteria and Procedures of the National Academy of Early Childhood Programs, 1984;
 - (d) T. Harms, and R. M. Clifford, Early Childhood Environmental Rating Scale, 1980;
 - (e) Lawrence J. Schweinhart and David P. Weikart, "What Do We Know So Far? A Review of the Head Start Synthesis Project," Young Children, January 1986, pp. 49-55;
 - (f) Martha Abbott-Shin and Annette Sebley, Assessment Profile for Family Day Care, National Association for Family Day Care, 1988; and

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APPENDIX A

State Childcare Programs 1988-89

Type of Program	Programs	State Funding	Population Served
I. Licensure	Department of Social Services Child Care Licensing Program Child Care Ombudsman Program	\$17.6 million	General public and childcare providers
	Department of Education State Preschool Child Care & Development Programs	\$37.3 million	Low income children
II. Preschool/Combination Preschool Childcare Programs	Migrant	\$7.3 million	Low income children with parents employed or in training
	Campus	\$5.4 million	
	General Child Development Centers (public & private)	\$281.6 million	
		Total \$252.6 million	
	Department of Education School-Age Community Child Care Family Child Care Homes	\$16.1 million \$6.9 million	Low-income children with parents employed or in training
III. Childcare and Development/ Programs for Special Populations	Severely Handicapped	\$740,000	Handicapped children in need of care
	School-Age Parenting and Infant Development	\$6.9 million	School-aged parents and their infants
	Respite Care	\$1.0 million	Children at risk of neglect or abuse; care needed because of family crisis
	Alternative Payments (voucher)	\$33.3 million	Low-income children with parents employed or in training
		Total \$64.9 million	
	IV. Childcare for AFDC Parents	Department of Social Services GAIN Childcare AFDC Child Care Income Disregard	\$64.0 million \$11.5 million
		Total \$95.5 million	
Franchise Tax Board Dependent Care Tax Credit Dependent Care Assistance Plans		\$110 million* tax expenditure Unknown tax expenditures	State taxpayers State taxpayers with employer- authorized plans
V. General Financial Assistance Through Tax Policy	Employer Tax Credit	\$8 million** tax expenditures	Employers
	Department of Education Resource and Referral Agencies California Child Care Initiative	\$7.6 million \$250,000	General public, childcare providers General public
	Department of Personnel Administration State Employee Child Care Fund	Total 7.6 Million \$1 million fund	State employees

*1987 tax year **estimate for 1989 tax year

APPENDIX B

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Licensing vs. Department of Education Program Requirements for Childcare Centers

Staffing Ratios (Teacher/Adult:Child)	Staff Qualifications		
	Early Childhood Teacher Aides	Childcare Center Teachers	Center Director/ Site Supervisor
LICENSING REQUIREMENTS Infants (0 to 2 years old) 1:4 Preschoolers (2 to 5 years old) 1:12 School Age (6 to 12 year olds) 1:15	No educational qualifications	Can be hired with 12 semester units in Early Childhood Education/Child Development (ECE/CD) and 6 months experience OR Children's center permit issued by the California Commission on Teacher Preparation and Licensing OR Child Development Associate credential OR (Provisional Status) completing 5 semester units, but must complete at least 2 units per semester until meeting the requirements	Same as Teacher, plus 3 semester units in childcare administration
DEPARTMENT OF EDUCATION PROGRAM REQUIREMENTS Infants (0 to 2 years old) 1:3 Infants/Toddlers mixed (0 to 3 years old) 1:7 Preschoolers (3 to 6 years old) 1:10 School Age (6 to 10 years old) 1:14 School Age (10 to 14 years) 1:18	No educational qualifications	Can be hired with Children's Center Instructional Permit, which requires: 24 semester units in general education, plus field experience and passage of a basic skills test or a Bachelor's degree OR Can be hired with 12 semester units in ECE/CD and field experience plus enrollment in a training program OR (provisional status) Can be hired with 6 semester units in ECE/CD, field experience, and field based assessment, plus Education/Child Development credential	Same as licensing requirements, plus Children's Center Instructional Permit and 6 semester units of coursework in child development administration and supervision

Sources: Sections 101315, 101316.5 and 101416.5, Title 22, California Administrative Code; Sections 8360.9303 and 8205, California Education Code

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