



California Budget  
& Policy Center

# Child Care and Development Programs in California: Key Context and Current Issues

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JANUARY 18, 2018

CALIFORNIA CHILD CARE RESOURCE & REFERRAL NETWORK  
2018-19 STATE BUDGET WEBINAR

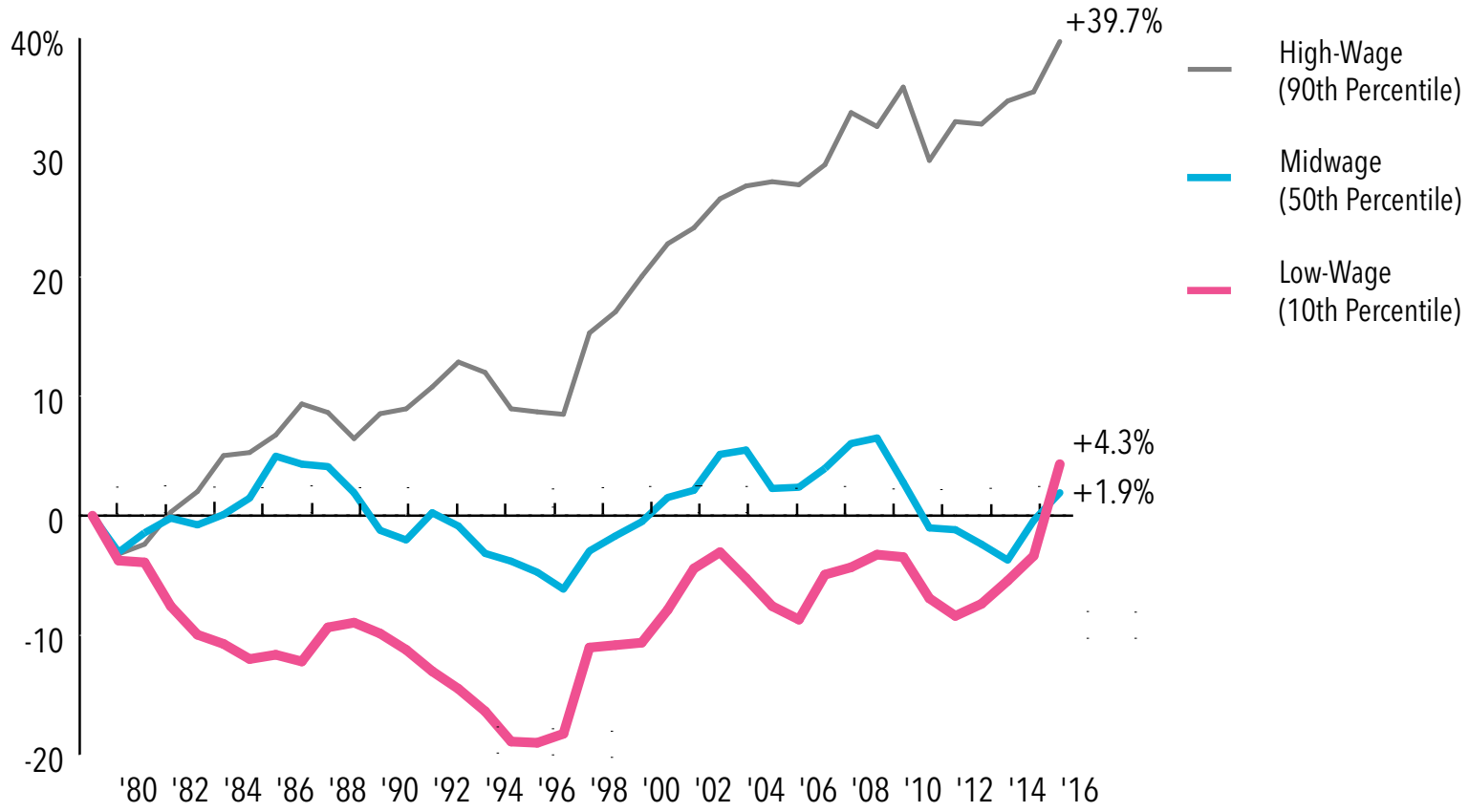
[calbudgetcenter.org](http://calbudgetcenter.org)

**California's economic recovery has been strong, but millions have not shared in the state's economic gains.**



# Modest Gains for California's Low- and Midwage Workers

Percent Change in Inflation-Adjusted Hourly Wages for Workers Ages 18 to 64 Since 1979

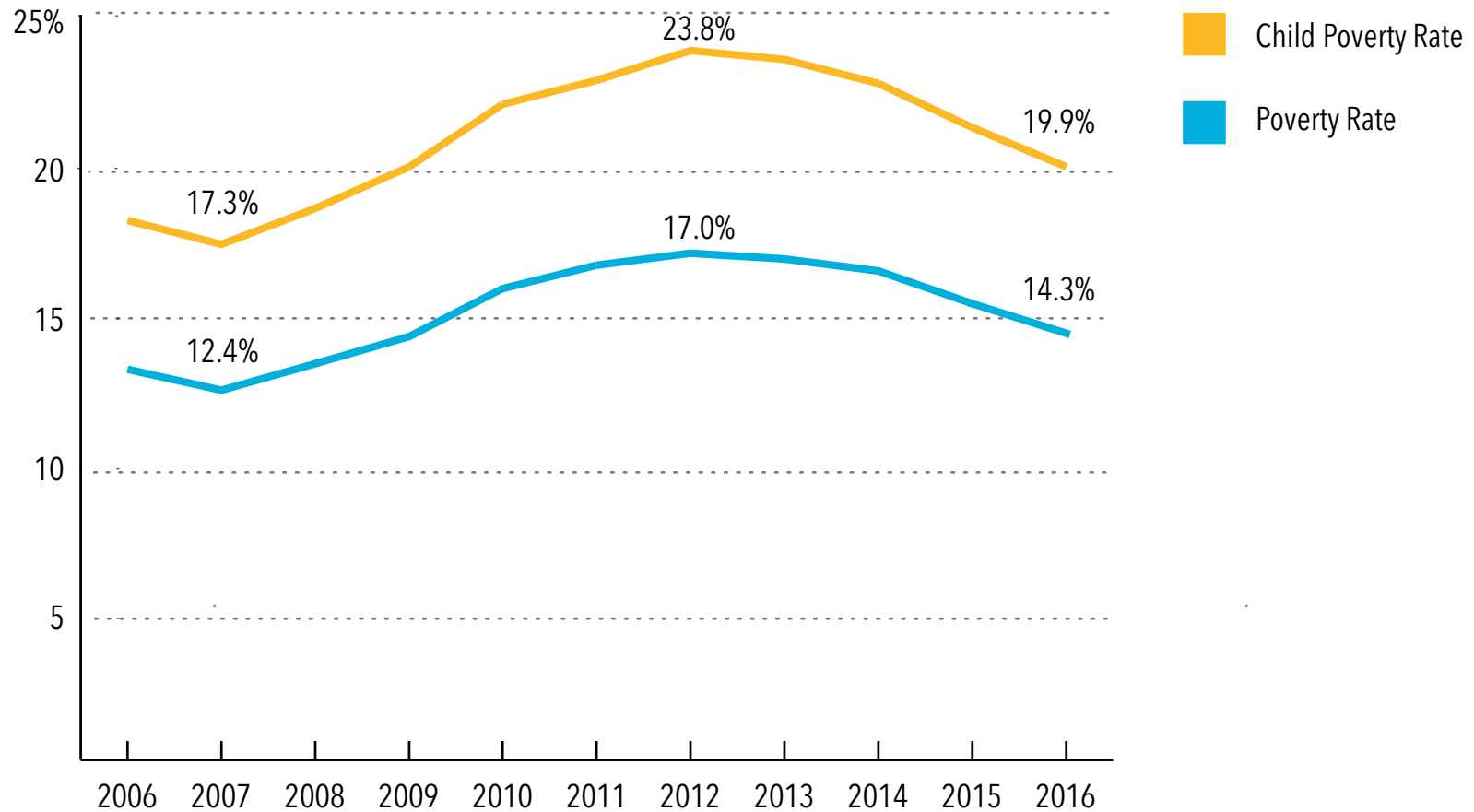


Source: Economic Policy Institute analysis of US Census Bureau, Current Population Survey data



# California's Official Poverty Rate Continued to Decline in 2016, but Has Yet to Return to Its Pre-Recession Level

Percentage of Californians With Incomes Below the Official Federal Poverty Line



Source: US Census Bureau, American Community Survey



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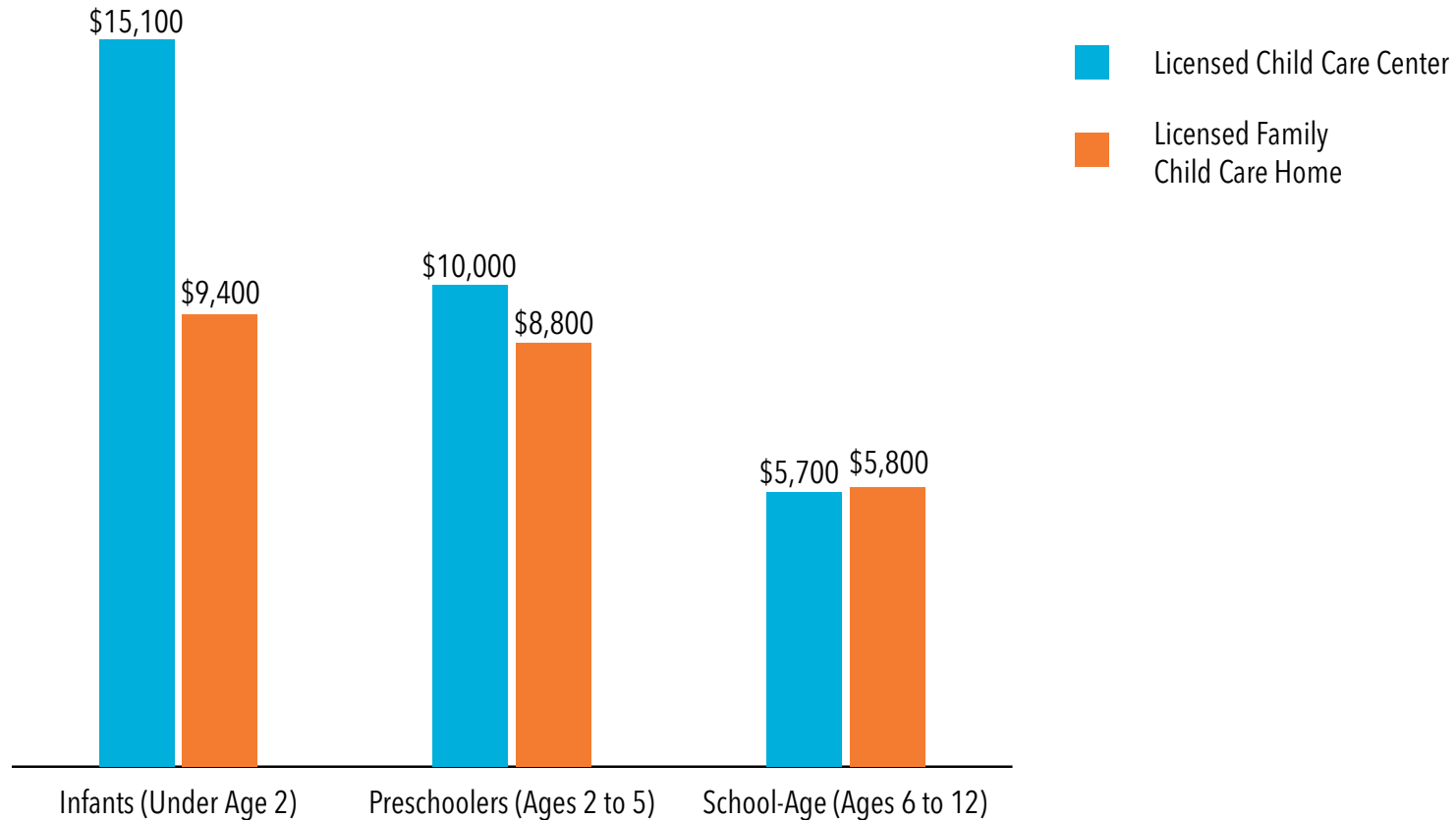
# **Affordable child care and preschool helps families make ends meet.**

**Without access to affordable care, many families face difficult choices about where to leave their children while they are working.**



# The Cost of Child Care Is Prohibitively High in California

## Median Cost of Care Statewide, 2016



Note: Figures are rounded to the nearest hundred. Cost of care is full-time for infants and preschoolers and prorated according to the school year for a school-age child. Costs are based on counties' median cost of care weighted to reflect each county's child population.

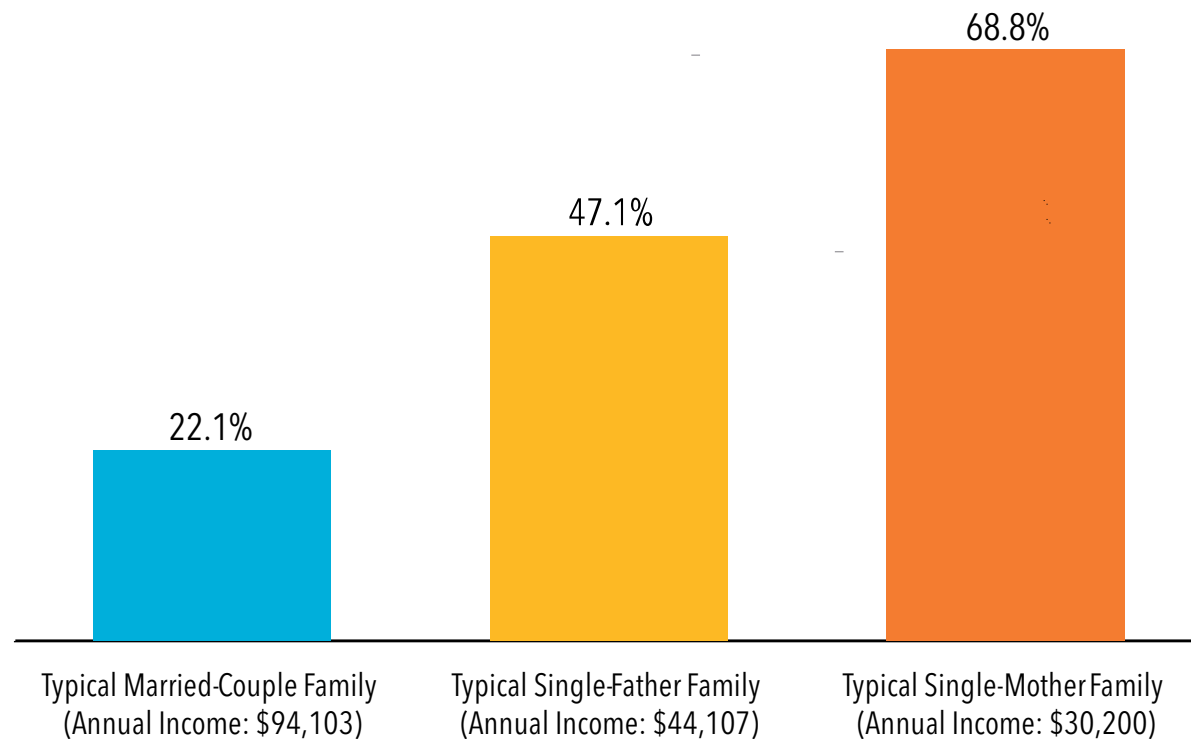
Source: Budget Center analysis of California Department of Education data, 2016 Regional Market Rate Survey



# The Cost of Child Care in California Is a Large Share of Family Budgets, Especially for Single-Parent Families

Child Care Costs for an Infant and a School-Age Child as a Share of Annual Family Income, 2016

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Note: Cost of care is for a licensed center in California in 2016 (full-time for an infant and prorated according to the school year for a school-age child). Costs are based on counties' median cost of care weighted to reflect each county's population of infants and school-age children.

Source: Budget Center analysis of data from the California Department of Education, 2016 Regional Market Rate Survey and US Census Bureau



**State budget cuts have weakened key services and supports that help families achieve economic security.**

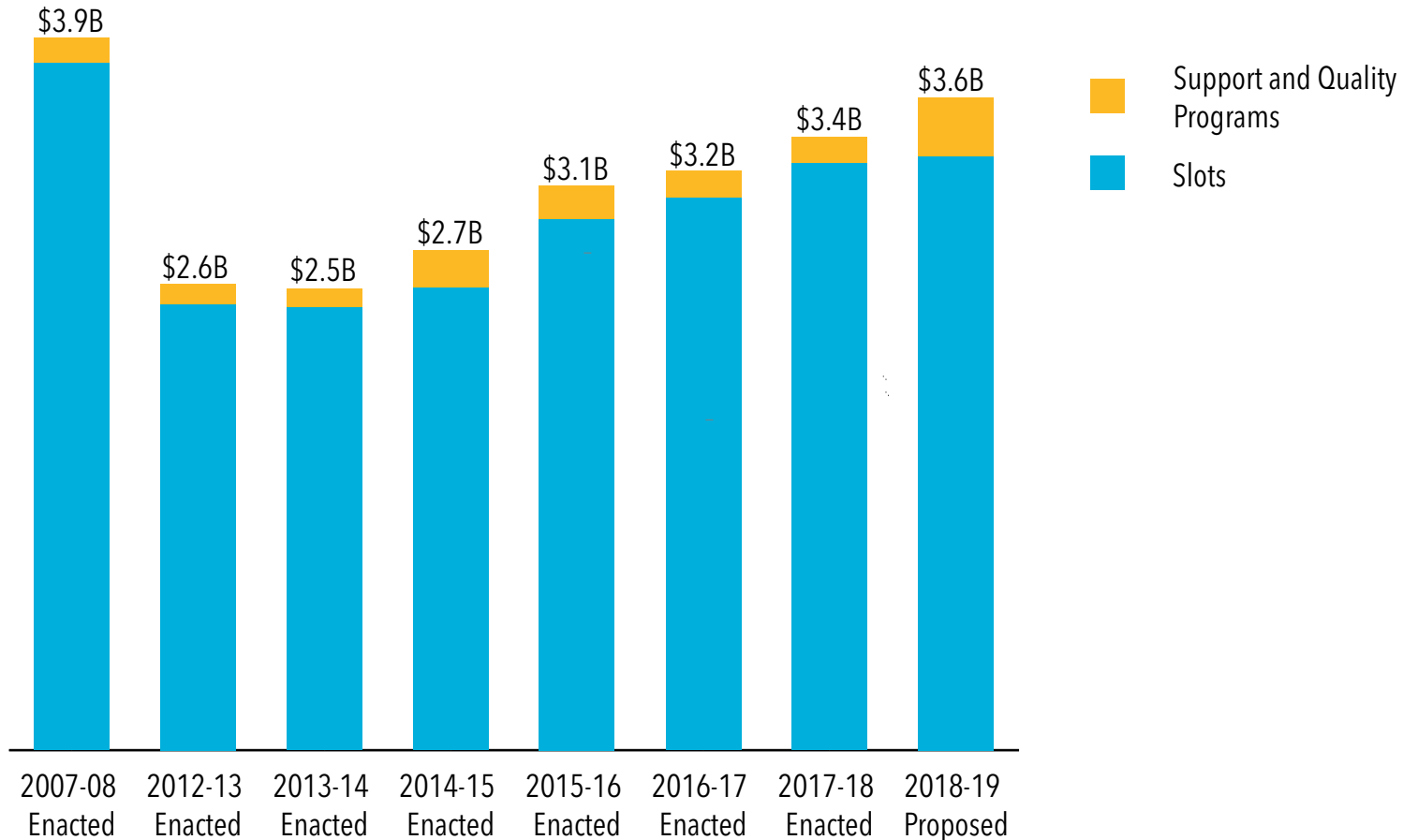
**Many of these programs continue to be funded below pre-recession levels.**





# Annual Funding for Child Care and Preschool Remains Well Below the Pre-Recession Level

Total Funding for Subsidized Child Care and Preschool in California (Billions), Inflation-Adjusted



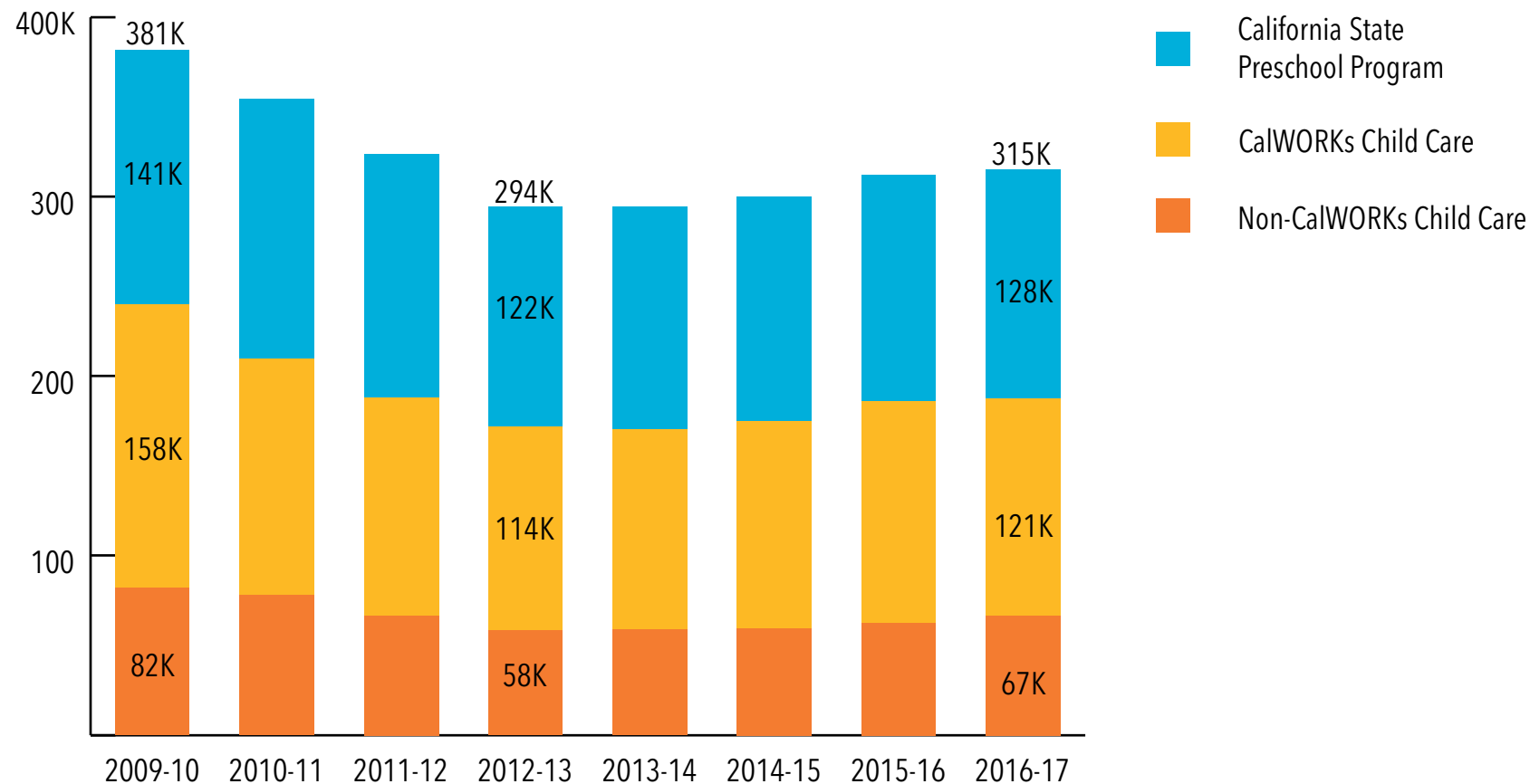
Note: Figures are in 2018-19 dollars and include federal and state funds for slots as well as for quality and support programs. Child care includes CalWORKs and non-CalWORKs programs. Preschool excludes Transitional Kindergarten.

Source: California Department of Education and Department of Finance



# Enrollment in Subsidized Child Care and Preschool Has Not Recovered From Recession-Era Cuts

## Average Monthly Number of Children Enrolled



Note: Figures are rounded to the nearest thousand. California Community Colleges CalWORKs Stage 2 data for 2016-17 reflect estimates, not actuals.

Source: California Community Colleges Chancellor's Office, California Department of Education, and Department of Social Services



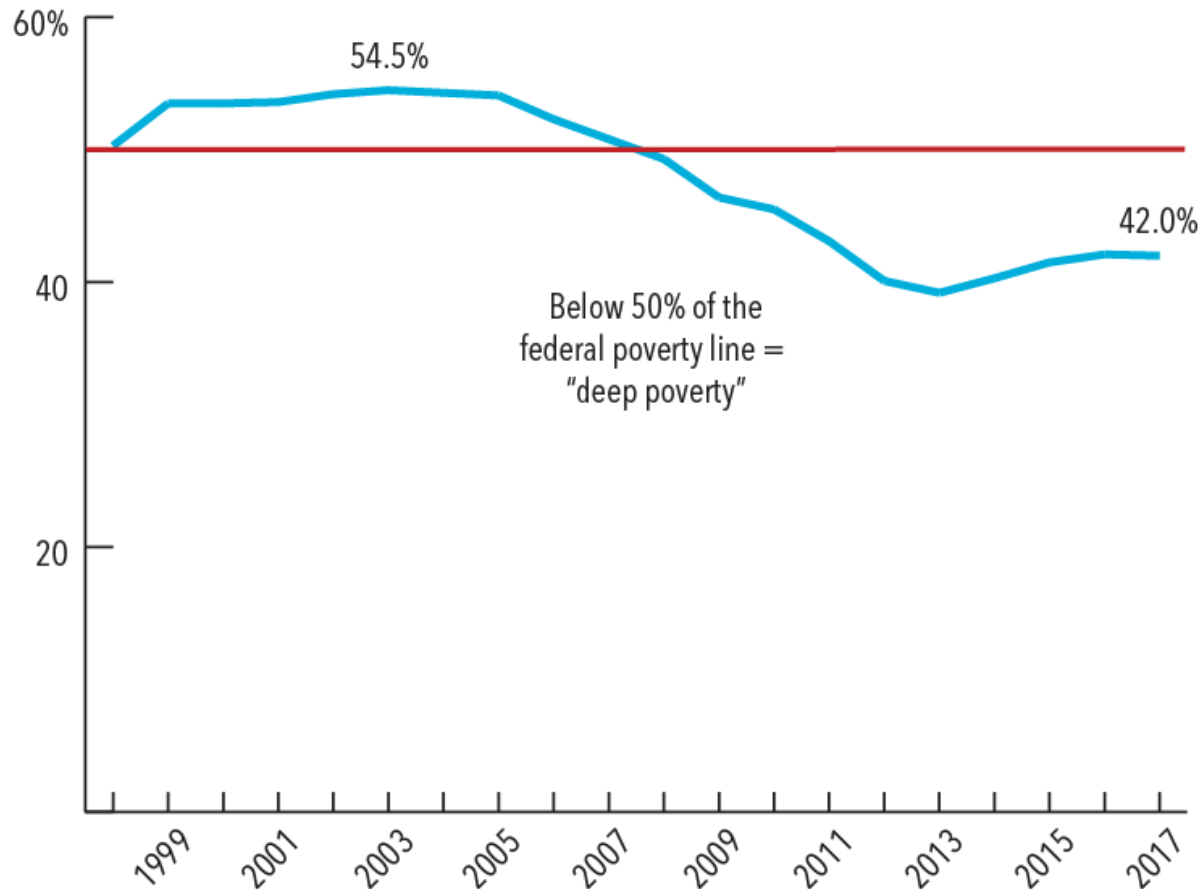
**CalWORKs provides modest cash assistance to families while helping parents find and keep jobs.**

**About 860,000 California children receive assistance from CalWORKs.**



# CalWORKs Grants Have Been Below the Deep-Poverty Line for the Last Ten Years

Annualized Maximum Grant for a Family of Three as a Percentage of the Federal Poverty Line

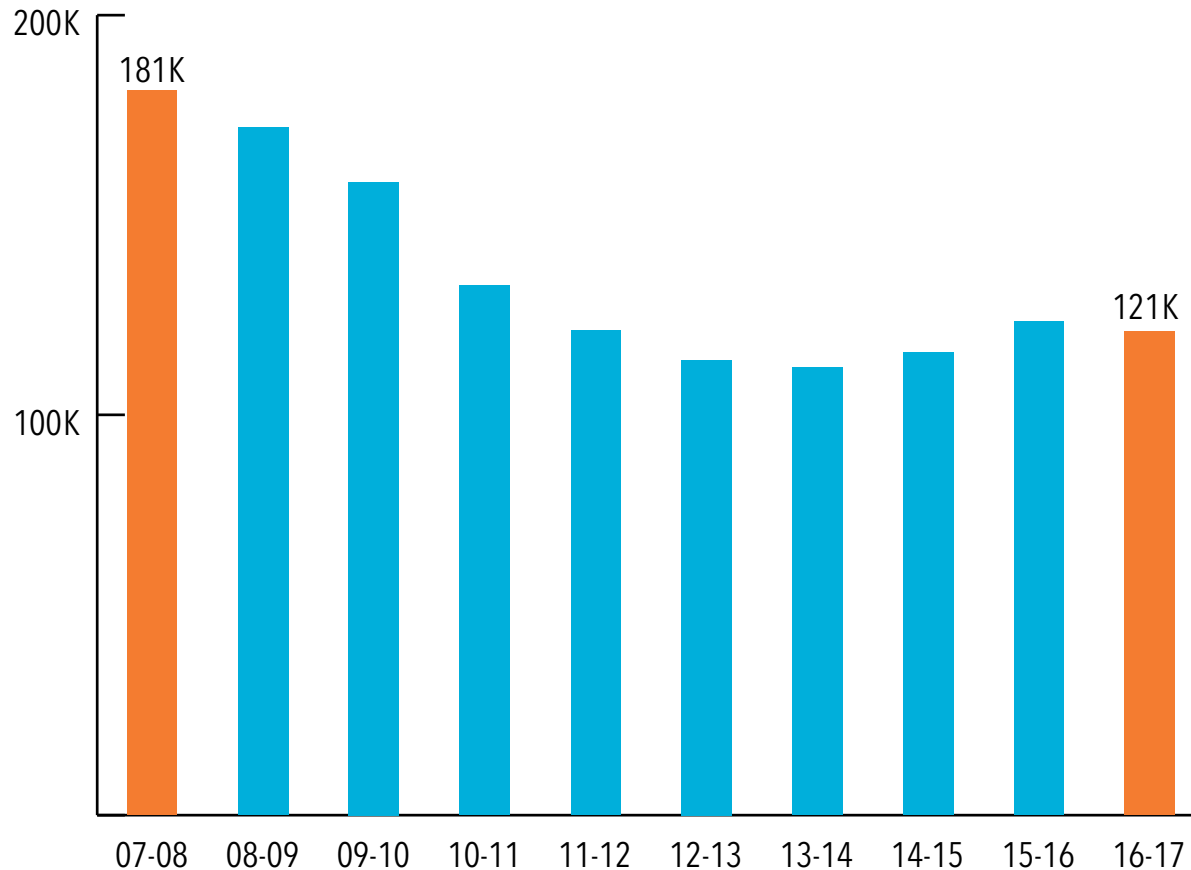


Note: Grants are for high-cost counties. The 2017-18 budget did not increase grant levels.  
Source: Budget Center analysis of Department of Social Services, US Department of Health and Human Services, and US Social Security Administration data



# Enrollment in CalWORKs Child Care Remains Well Below the 2007-08 Level

Average Monthly Number of Children Enrolled



Note: Reflects CalWORKs Stages 1, 2, and 3 child care. Figures are rounded to the nearest thousand. California Community Colleges Stage 2 data for 2016-17 reflects an estimate, not an actual.  
Source: California Community Colleges Chancellor's Office, California Department of Education, and Department of Social Services



# 2018-19 Budget Proposal

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- Reflects uncertainty due to potential cuts/changes to federal programs, as proposed by Republican leaders; the effects of the recently enacted federal tax plan; and the risk of an economic downturn.
- State revenues for the coming fiscal year projected to be higher than previously forecasted.
- Places a heavy emphasis on building up state reserves including a major discretionary deposit to the state rainy day fund.
- Includes various types of one-time funding across the budget – including the “Inclusive Early Education Expansion Program” and the CalWORKs home visiting pilot program.
- Does **not** propose any additional **ongoing** funding for many key services that help families make ends meet and advance economically.



# Budgets are statements about our values and priorities.





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