



Sacramento County
Local Child Care & Development Planning Council

Promoting Excellence in
**CHILD CARE
& EDUCATION**
FIVE YEAR PLAN
2014 UPDATE



In order to effectively plan for early care and education¹ services, policy makers and planners must have the ability to assess and understand the needs of Sacramento County's families and children. An informed view can only come through data, research, and community input that informs decisions to positively impact early care and education. To that end, the Sacramento Local Child Care and Development Planning Council (LPC) developed a comprehensive countywide five-year plan for child care and early learning, **"Promoting Excellence in Child Care and Education, A Strategic Plan for Child Care in Sacramento County: 2012 – 2017."** The information included in this bulletin updates the information in the plan concerning the supply, demand, and funding of child care services in Sacramento County.

Sacramento County Population

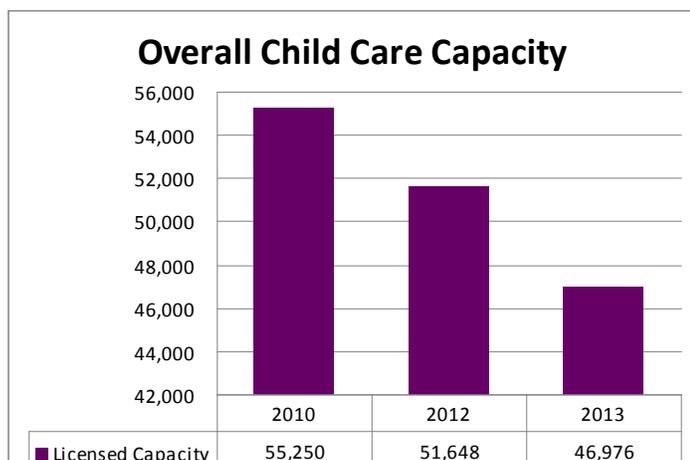
Since 2010, Sacramento's child population has remained stable. The number of children in working families has decreased 1.1%.² It is projected that demand for child care will increase with increased worker participation in a recovering economy.

Overall Child Care System

The early child care and education system is complex. It is under-resourced to meet the needs of low-income families and to provide high-quality programs for all families. The Sacramento LPC advocates for an increase in supply to meet the needs of working families.

Decrease in Child Care Providers

In 2010, Sacramento County had licensed spaces for approximately 31.4% of children in working families.³ Since then, capacity has decreased due to the closure of child care facilities. Since 2010 we have lost 8,274 spaces or 15% of supply. Of the spaces lost, 75% (6,166) were in licensed family child care homes.⁴ Sacramento County now has spaces for only 29.7% of children in working families.⁵

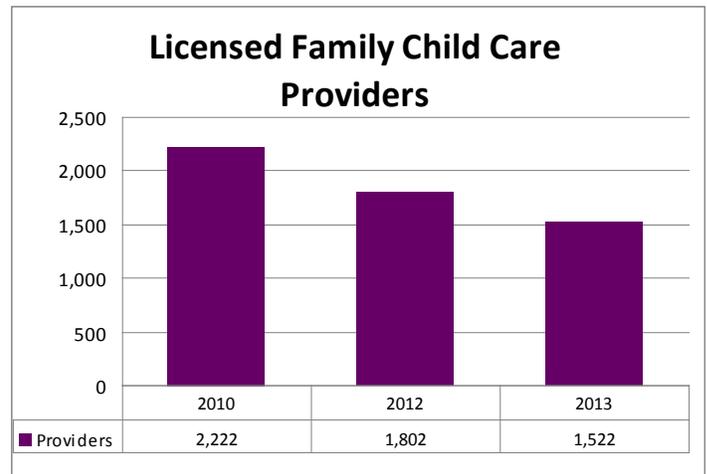


Decreased Supply of Infant and Toddler care

Of the 32,412 children in licensed care, only 10.2% (3,301 children) are infants and toddlers. Of these, 39.8% are being served in family child care homes, while only 16.5% of preschool age children are in family child care. Loss of family child care homes disproportionately impacts the area that is already most in need: care for infants and toddlers.

The Economic Impact of the Child Care Industry

According to U.C. Berkeley report "Economic Impacts of Early Care and Education in California," studies have repeatedly found that a reliable early care and education infrastructure improves businesses' bottom line, and that its absence can be costly both now and in the future.⁶ Women transitioning off CalWORKs found that lack of access to or ability to afford child care was the most significant and the most frequently cited barrier to employment.⁷



As an industry comprised mostly of small businesses, early care and education is a vital source of direct jobs and job growth in California,⁸ as well as a work support for parents. Child care centers and family child care homes use much of the revenue they receive to purchase food and other supplies to run their business. Early care and education employees also spend most of their income locally, at grocery stores and other nearby businesses. Money spent at suppliers and other local businesses continues to circulate through the economy.⁹ Parents' ability to work is an additional economic benefit to the community and state. The economic benefit of quality early learning opportunities is well documented.

Loss of Public Child Care and Development Funding

Continued loss of licensed child care may prevent economic recovery and growth, as child care is a critical service that allows families to obtain and maintain employment and training. Specialized populations of families (those with infant/toddlers, non-traditional work hours and special needs children) may be particularly challenged by a shortage.

High quality child care improves children's readiness for kindergarten and school success both cognitively and socially, lowering remedial and special education costs. These benefits are especially evident for children in low-income families. This is being recognized at state and federal levels. However, during the economic downturn, child care and development funds were adversely affected by funding cuts and have not yet begun to recover.

These cuts have influenced the nature of child care in the county through both cuts to funding and limits on accessibility. Changes have reduced the availability of subsidized care for eligible families in both child development centers and Alternative Payment programs. The reductions have also impacted the private sector child care providers who rely on child care payments from both Sacramento County CalWORKs (California Work Opportunity and Responsibility to Kids) and the Child Action, Inc. Alternative Payment Programs. The 2012 Local Child Care Plan reported on funding for subsidized care. Since that report, center-based contracts have lost 6.3% in funding, representing a loss of 18.3% since 2010. CalWORKs and Alternative Payment Program funding has decreased 30.4% since 2012 and 32.7% since 2010.¹⁰

In 2010, 17,219 Sacramento County children received subsidized child care and development services through the California Department of Education. By 2012, this number had decreased to 13,481 children. This represents 3,738 fewer children receiving subsidized child care and development services, a service reduction of 21.7%.¹¹

Reinvestments in the FY14-15 state budget include new funding for full-day, full-year preschool spaces and funds to extend part-day care to full day, affecting 11,500 spaces statewide. We anticipate this will restore a small portion of Sacramento's 3,738 lost spaces.

Economic Realities for Families and Providers

The average family receiving subsidized child care in Sacramento County is a single mother earning about \$2,000 per month with two young children.¹² For a single parent with two children working a minimum wage job, the cost of child care without subsidy is 95% of the family budget.

The Insight Center for Community Economic Development determined self-sufficiency wage in Sacramento in 2011 for a single parent with two children (a preschooler and school age child) to be \$25.79. Families earning less than this need financial assistance to make ends meet.

Family Budget for Self-Sufficiency Single parent, two children	
Child Care	\$1,321
Housing	\$1,021
Food	\$617
Health care	\$398
All other expenses	\$1,181
Monthly earnings required	\$4,539
Average earning of family receiving child care subsidy ¹³	\$2,000

Providers who serve low-income families receive payments either through CalWORKs or Alternative Payment vouchers or through direct contracts with the state. In both cases, the subsidy reimbursement rates have not seen increases or Cost of Living Adjustments in years. The 2012 Regional Market Rate (RMR) survey estimates that the true market rate is nearly double the full-time weekly preschool center rate currently paid (\$339.28 to \$171.99), which is based on the 2005 RMR survey.¹⁴ The FY14-15 budget includes a provision to increase the contracted Standard Reimbursement Rate (SRR) by 5% effective July 1, 2014.

Conclusion

Sacramento County must view child care businesses and child care support as key components of our economic development. Planning for and reinvesting in supply and subsidies is necessary for economic recovery. As the state begins to reinvest in the supply and quality of early care and education, Sacramento County can and should explore ways to ensure the most effective use of dollars to improve business and employment landscapes and families' lives. To read "**Promoting Excellence in Child Care and Education**," or for more information on early care and education in Sacramento County, please visit the Sacramento Local Planning Council website at www.sac-lpc.org.

Glossary

Early care and education (ECE) system encompasses licensed child care centers and family child care homes, as well as license-exempt providers, and the child care infrastructure, which includes Alternative Payment Programs, Community Care Licensing, Resource and Referral agencies, and quality supports. ECE, early learning, child care, preschool, child development and similar phrases are often used interchangeably in the ECE community. High quality child care offers more than just a safe place for children; it has a positive effect on children's early development. For more information, see "Promoting Excellence in Child Care and Education," at www.sac-lpc.org.

Family child care homes (FCCH) are licensed child care professionals serving small groups of children ages 0–13 in a provider's home. FCCH are licensed to care for mixed-age groups of up to 8 (small) or 14 (large). Family child care providers are required to have 15 hours of health and safety training, including Pediatric CPR, Pediatric First Aid, and Preventive Health and Safety. They must pass a background check and have a tuberculosis clearance. They are not required to take college courses in child development; however, some providers voluntarily take these kinds of classes. FCCH and private-pay centers may choose to accept APP vouchers or not.

CalWORKs Child Care and Alternative Payment Programs (APP) vend into the private pay child care market by providing parents with child care certificates and allow them to select their own licensed or exempt provider. They may choose a child care center, a licensed family child care home, a relative provider or a provider who is not licensed but meets the criteria for non-licensed providers.

Local Child Care and Development Planning

Councils (LPC) are state-mandated planning bodies in every county in California. Their primary mission is to plan for child care and development services and serve as a forum to address the child care needs of all families in the community for all types of care, both subsidized and unsubsidized.

References

1. The Sacramento LPC uses the terms child care, early learning, and early care and education interchangeably, as most licensed providers are concerned with both the developmental needs of the children and the needs of working parents.
2. California Child Care Resource and Referral Network, 2013 Child Care Portfolio.
3. Ibid.
4. Family child care homes (FCCH) are licensed care providers serving small groups of children ages 0 - 13 in a provider's home.
5. California Child Care Resource and Referral Network, 2013 Child Care Portfolio.
6. MacGillvary, J. and Lucia, L. "Economic Impacts of Early Care and Education in California." U.C. Berkeley, August 2011.
7. Flaming, D., P. Kwon & P. Burns (2002, Summer). Running out of time: Voices of parents struggling to move from welfare to work. Commissioned by the Los Angeles County Children's Planning Council Foundation. Retrieved from www.economicrt.org/publications.html#Labor_Market_Pub.
8. MacGillvary, J. and Lucia, L. "Economic Impacts of Early Care and Education in California." U.C. Berkeley, August 2011.
9. Ibid.
10. California Department of Education, Child Development Division, CATS Combined Contract Report - Sacramento 2012/13. (August 2012).
11. California Department of Education, Child Development Division, Child Care Annual Statewide Reports, October 2013 Report (2012 data). <http://www.cde.ca.gov/sp/cd/re/ccannualreports.asp>
12. Sacramento County Children's Coalition, The Children's Report Card, www.childrensreportcard.org.
13. Ibid.
14. 2012 Regional Market Rate survey funded by California Department of Education.