



BY KRISTIN SCHUMACHER

Targeted Funding for Early Care and Education Could Provide a Path Out of Poverty for More California Children

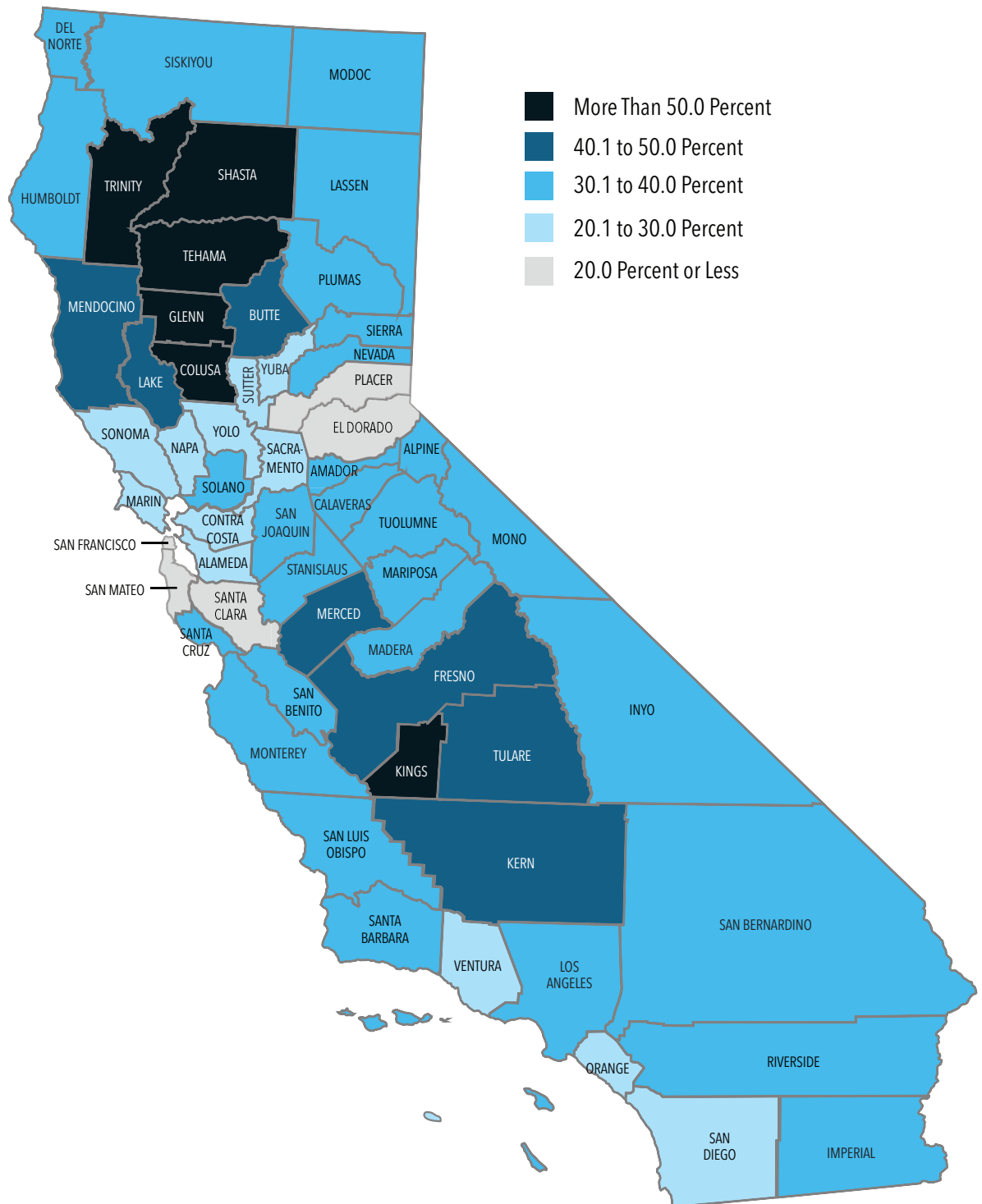
The neighborhood a child grows up in can shape their long-term success, affecting their economic mobility as adults.¹ While Governor Newsom has pledged to create a “California for All,” currently opportunities for children are not evenly distributed across the state. Policymakers who aim to boost opportunity and improve children’s life-long prospects can strategically invest in subsidized child care and development programs that serve families with low and moderate incomes by targeting areas that have been left behind.

According to a Budget Center analysis of federal survey data, an estimated 2 million children from birth through age 12 were eligible for subsidized child care and development programs in California in 2017 – roughly 1 in 3 children across the state (32.2%).² The share of children eligible *by county* varied dramatically, with the highest shares of eligible children living in counties in the Central Valley – a region with some of the state’s highest poverty rates.³ Kings County had the highest share, with more than half of all children in the county eligible for subsidized care (50.9%). (See Map on page 2.) More than half of the children in the county group of Colusa, Glenn, Shasta, Tehama, and Trinity were also eligible (50.2%).⁴ Conversely, the counties with the lowest share of eligible children were in and around the San Francisco Bay Area and Lake Tahoe, where the cost of living is significantly higher.⁵ San Mateo County had the lowest share of eligible children, with 14.9% of children in the county eligible for subsidized care.⁶ Because the cost of living is considerably higher in these counties, many families with incomes too high to qualify for subsidized care may still struggle to afford early care and education for their children.

The five counties with the largest *number* of eligible children were all located in Southern California: Los Angeles (539,900), San Bernardino (154,000), San Diego (149,600), Riverside (147,900), and Orange (136,900). (See Table on page 4.) Collectively, these five counties accounted for more than half of all children birth through age 12 eligible for subsidized child care and development programs in the state. Los Angeles County alone accounted for more than 1 in 4 eligible children in California (26.6%).

Of the 2 million children eligible for subsidized care in California in 2017, just 1 in 9 children were enrolled in a program that could accommodate families for more than a couple hours per day and throughout the entire year (228,100).⁷ The share of eligible children enrolled in a state program also varied across the state. (See Table on page 4.) For example, in Orange County just 1 in 16 eligible children were enrolled in a subsidized program (6.1%). Riverside County also had a large number of eligible children but a very low share enrolled in a state program (7.3%). In contrast, due in part to a long history of prioritizing early care and education at the local level, nearly half of all eligible children were enrolled in a subsidized program in San Francisco (49.5%).⁸

Share of Children Eligible for Subsidized Child Care and Development Programs, 2017



Note: Estimates for certain counties were deemed unreliable due to data limitations. The following counties have been grouped to improve the reliability of the data: 1) Alpine, Amador, Calaveras, Inyo, Madera, Mariposa, Mono, and Tuolumne; 2) Colusa, Glenn, Shasta, Tehama, and Trinity; 3) Del Norte, Humboldt, Lassen, Modoc, Nevada, Plumas, Sierra, and Siskiyou; 4) El Dorado and Placer; 5) Lake and Mendocino; 6) Marin, Napa, and Sonoma; 7) Monterey, San Benito, San Luis Obispo, and Santa Cruz; and 8) Sutter, Yolo, and Yuba.

Source: Budget Center analysis of US Census Bureau, American Community Survey data

Governor Newsom has signaled the intent to increase families' access to the state's subsidized child care and development system by proposing to boost funding for this system in the next fiscal year, including dollars for child care facilities, workforce development, and additional spaces for children. With a Governor focused on children and families, policymakers have an opportunity to invest new funding in the 2019-20 budget in an intentional fashion, targeting counties and even neighborhoods where the need is particularly acute. A child's opportunity to escape poverty is often influenced by where they grow up. By strategically investing in areas throughout the state where children and families do not have as many opportunities, the Administration can ensure that "California for All" reaches those with the greatest need.

This analysis is the fourth part of a multiphase effort to analyze subsidized child care and development programs in California. Other phases of this work have examined the total unmet need for subsidized child care and unmet need across different age groups and by race and ethnicity. Support for this Fact Sheet was provided by First 5 California.

- ¹ Raj Chetty, et al., *The Opportunity Atlas: Mapping the Childhood Roots of Social Mobility* (Opportunity Insights and US Census Bureau: October 2018).
- ² Income eligibility is based on initial certification levels, which is 70% of state median income. Families are eligible for subsidized child care if the child who would receive care is under the age of 13; the family establishes an appropriate eligibility status, such as by having an income below the limit set by the state; and the family demonstrates a need for care, such as parental employment. Families generally must meet the same income guidelines applicable to child care to qualify for the California State Preschool Program (CSPP), which is funded solely with state dollars. State law, however, allows up to 10 percent of families in the state preschool program to have incomes up to 15 percent above the income eligibility limit, but only after all other eligible children have been enrolled. The CSPP is a part-day program offered for roughly nine months of the year. Some children receive "wraparound" services that provide subsidized child care for remainder of the day and throughout the entire year. To be eligible for the full-day CSPP, families generally must meet the same guidelines regarding eligibility status that are applicable to subsidized child care. See Kristin Schumacher, *Millions of Children Are Eligible for Subsidized Child Care, but Only a Fraction Received Services in 2017* (California Budget & Policy Center: January 2019).
- ³ "Central Valley" refers to both the San Joaquin Valley and the Sacramento Valley. For poverty rates by county, see Esi Hutchful and Sara Kimberlin, *Incomes Grew and the Official Poverty Rate Dropped in California in 2017, But Millions Still Struggle With Extremely Low Incomes* (California Budget & Policy Center: September 2018).
- ⁴ Estimates for certain counties were deemed unreliable due to data limitations. The following counties have been grouped to improve the reliability of the data: 1) Alpine, Amador, Calaveras, Inyo, Madera, Mariposa, Mono, and Tuolumne; 2) Colusa, Glenn, Shasta, Tehama, and Trinity; 3) Del Norte, Humboldt, Lassen, Modoc, Nevada, Plumas, Sierra, and Siskiyou; 4) El Dorado and Placer; 5) Lake and Mendocino; 6) Marin, Napa, and Sonoma; 7) Monterey, San Benito, San Luis Obispo, and Santa Cruz; and 8) Sutter, Yolo, and Yuba.
- ⁵ See Sara Kimberlin and Amy Rose, *Making Ends Meet: How Much Does It Cost to Support a Family in California?* (California Budget & Policy Center: December 2017).
- ⁶ The income eligibility limit does not vary across the state, but a number of counties either have a pilot or are in the process of getting state approval for a county pilot to set income limits at a higher level. For example, San Mateo County and the City and County of San Francisco both have permanent pilots, which sets the income eligibility limit at 85% of state median income (SMI). Statewide the income eligibility limit is 70% of SMI, which is used for every county in this analysis.
- ⁷ The 228,100 figure reflects children enrolled in the full-day CSPP or in one of the following subsidized child care programs: Alternative Payment Program; CalWORKS Stages 1, 2, or 3; Family Child Care Home Network; General Child Care; and the Migrant Child Care and Development Program. Enrollment is for children from birth through age 12 in October 2017. This analysis also includes the full-day CSPP, which consists of part-day preschool and "wraparound" child care, because it accommodates many – although not all – families' work schedules throughout the year, and thus approximates the experience that a child would have in a subsidized child care program. In contrast, this analysis excludes roughly 97,000 children who were enrolled in the part-day CSPP, without access to wraparound child care, in October 2017. This is because most families with low and moderate incomes likely need wraparound care in order to supplement the CSPP's part-day, part-year schedule. This analysis reports enrollment data for a single month – as opposed to a monthly average for 2017 – because the CDE does not typically separate part-day and full-day CSPP enrollment when reporting monthly averages for a single fiscal year. The CDE also states, "Caution should be used when interpreting monthly averages as some programs do not operate at full capacity throughout the entire year (e.g., State Preschool) while other programs have seasonal fluctuations in enrollment (e.g., Migrant Child Care)." Finally, the data are for October 2017 because the CDE's point-in-time reports are only available for the month of October. See Kristin Schumacher, *Millions of Children Are Eligible for Subsidized Child Care, but Only a Fraction Received Services in 2017* (California Budget & Policy Center: January 2019).
- ⁸ San Francisco was the first city in the United States to pass a "Children's Amendment." Passed in 1991, this measure dedicated local funding to early care and education, among other programs and services for children. Voters in San Francisco also approved additional funding for a "Preschool for All" program in 2004. See San Francisco Office of Early Care & Education, *San Francisco Citywide Plan for Early Care and Education* (2016).

Number and Share of Children in California Eligible for Subsidized Child Care and Development Programs by County or County Group, 2017

County or County Group*	Number of Eligible Children		Share of Eligible Children		Number of Children Enrolled in a State Program**	Share of Eligible Children Who Are Enrolled in a State Program	
	Initial Certification (70% of SMI)	Recertification (85% of SMI)	Initial Certification (70% of SMI)	Recertification (85% of SMI)		Initial Certification (70% of SMI)	Recertification (85% of SMI)
Alameda	55,700	63,400	22.9%	26.1%	7,300	13.1%	11.5%
Alpine, Amador, Calaveras, Inyo, Madera, Mariposa, Mono, and Tuolumne	18,000	20,200	36.7%	41.1%	2,100	11.9%	10.6%
Butte	14,400	16,800	46.3%	54.3%	1,500	10.2%	8.7%
Colusa, Glenn, Shasta, Tehama, and Trinity	23,700	28,700	50.2%	60.6%	2,000	8.6%	7.1%
Contra Costa	45,500	50,900	25.1%	28.1%	4,600	10.1%	9.0%
Del Norte, Humboldt, Lassen, Modoc, Nevada, Plumas, Sierra, and Siskiyou	15,200	18,400	33.3%	40.2%	2,400	15.8%	13.1%
El Dorado and Placer	13,300	16,900	16.1%	20.5%	1,800	13.7%	10.7%
Fresno	87,600	98,400	44.0%	49.4%	9,000	10.2%	9.1%
Imperial	12,300	14,800	35.0%	42.2%	2,000	16.2%	13.4%
Kern	78,600	87,000	42.8%	47.3%	6,800	8.7%	7.8%
Kings	15,000	16,100	50.9%	54.7%	1,200	8.2%	7.6%
Lake and Mendocino	8,700	9,900	41.8%	47.2%	1,100	13.0%	11.6%
Los Angeles	539,900	617,200	34.9%	39.9%	73,900	13.7%	12.0%
Marin, Napa, and Sonoma	30,600	38,500	24.1%	30.3%	3,400	11.1%	8.8%
Merced	26,400	27,500	47.8%	49.7%	2,200	8.4%	8.1%
Monterey, San Benito, San Luis Obispo, and Santa Cruz	54,900	63,600	33.1%	38.4%	5,500	10.1%	8.7%
Orange	136,900	152,600	27.9%	31.1%	8,300	6.1%	5.5%
Riverside	147,900	167,300	35.2%	39.8%	10,800	7.3%	6.5%
Sacramento	76,600	92,200	29.8%	35.9%	10,800	14.1%	11.7%
San Bernardino	154,000	173,500	38.8%	43.7%	13,700	8.9%	7.9%
San Diego	149,600	170,700	29.2%	33.4%	14,000	9.4%	8.2%
San Francisco	15,100	18,300	17.2%	20.8%	7,500	49.5%	40.9%
San Joaquin	49,000	54,800	34.2%	38.3%	5,600	11.5%	10.3%
San Mateo	17,100	22,100	14.9%	19.3%	2,200	13.1%	10.1%

County or County Group*	Number of Eligible Children		Share of Eligible Children		Number of Children Enrolled in a State Program**	Share of Eligible Children Who Are Enrolled in a State Program	
	Initial Certification (70% of SMI)	Recertification (85% of SMI)	Initial Certification (70% of SMI)	Recertification (85% of SMI)		Initial Certification (70% of SMI)	Recertification (85% of SMI)
Santa Barbara	27,300	29,600	38.8%	42.2%	2,100	7.8%	7.2%
Santa Clara	57,900	67,500	18.9%	22.0%	7,200	12.5%	10.7%
Solano	22,800	28,300	32.1%	39.9%	2,600	11.5%	9.3%
Stanislaus	36,600	41,100	35.1%	39.4%	2,900	7.9%	7.0%
Sutter, Yolo, and Yuba	16,900	23,100	25.2%	34.4%	2,400	14.2%	10.4%
Tulare	44,500	48,900	44.2%	48.6%	6,400	14.3%	13.0%
Ventura	39,900	47,200	29.7%	35.2%	3,600	8.9%	7.5%
Total	2,031,900	2,325,400	32.2%	36.8%	227,100***	11.2%	9.8%

SMI = State Median Income

* Estimates for certain counties were deemed unreliable due to data limitations. In these cases, counties were grouped to improve reliability of the data.

** Figures reflect children enrolled in the full-day California State Preschool Program (CSPP) or in one of the following subsidized child care programs: Alternative Payment Program; CalWORKs Stages 1, 2, or 3; Family Child Care Home Network; General Child Care; and the Migrant Child Care and Development Program. Enrollment is for children from birth through age 12 in October 2017. This analysis also includes the full-day CSPP, which consists of part-day preschool and “wraparound” child care, because it accommodates many – although not all – families’ work schedules throughout the year, and thus approximates the experience that a child would have in a subsidized child care program. In contrast, this analysis excludes roughly 97,000 children who were enrolled in the part-day CSPP, without access to wraparound child care, in October 2017. This is because most families with low and moderate incomes likely need wraparound care in order to supplement the CSPP’s part-day, part-year schedule. This analysis reports enrollment data for a single month – as opposed to a monthly average for 2017 – because the CDE does not typically separate part-day and full-day CSPP enrollment when reporting monthly averages for a single fiscal year. The CDE also states, “Caution should be used when interpreting monthly averages as some programs do not operate at full capacity throughout the entire year (e.g., State Preschool) while other programs have seasonal fluctuations in enrollment (e.g., Migrant Child Care).” Finally, the data are for October 2017 because the CDE’s point-in-time reports are only available for the month of October. See Kristin Schumacher, Millions of Children Are Eligible for Subsidized Child Care, but Only a Fraction Received Services in 2017 (California Budget & Policy Center: January 2019).

*** Figure is different than the total number of children enrolled in a state program published in other Budget Center fact sheets due to data limitations.

Note: Numbers may not sum due to rounding. Families are eligible for subsidized child care if the child who would receive care is under the age of 13; the family establishes an appropriate eligibility status, such as by having an income below the limit set by the state; and the family demonstrates a need for care, such as parental employment. Families generally must meet the same income guidelines applicable to child care to qualify for the CSPP, which is funded solely with state dollars. State law, however, allows up to 10 percent of families in the state preschool program to have incomes up to 15 percent above the income eligibility limit, but only after all other eligible children have been enrolled. The CSPP is a part-day program offered for roughly nine months of the year. Some children receive “wraparound” services that provide subsidized child care for remainder of the day and throughout the entire year. To be eligible for the full-day CSPP, families generally must meet the same guidelines regarding eligibility status that are applicable to subsidized child care.

Source: Budget Center analysis of California Department of Education, Department of Social Services, and US Census Bureau, 2017 American Community Survey data