Published on *childcarecanada.org* (https://childcarecanada.org)

The nightmare continues: California's broken child care subsidies system [1]

Author: Ignatius, Mary
Source: Truthout
Format: Article
Publication Date: 22 Aug 2016

AVAILABILITY
Read online [2]

EXCERPTS

Rebecca Conachy, a single mother of a 6-year-old son in Santa Rosa, California, is a year away from completing her bachelor's degree in kinesiology from Sonoma State University. She works part time and equates having a state-funded child care subsidy with "doing your taxes three times a year."

This time-consuming inconvenience is the reality for many low-income working families across California -- and the country.

For these families, in order to stay qualified for a state child care subsidy, they are required to provide documentation, three times a year, to keep their child care assistance. Each time, they are required to collect pay stubs from the previous three months from all of their jobs; employment verification and signatures from their bosses; education verification, with signatures from teachers and the school's registrar; class schedules; a form signed by their child's doctor if the child has special needs; and if self-employed, they must provide documentation that lists their clients' names and contact information.

And even if these working parents qualify for the child care subsidy, the requirements are based on wage information that is outdated and does not reflect current costs-of-living and income levels.

Recently in California, the Senate Appropriations Committee was offered the chance to fix these cumbersome support structures for thousands of families who would have benefited from AB 2150. But they blew it.

This bill would have implemented 12 months of child care assistance and would have updated the income guidelines needed to qualify for subsidized child care. It would have eliminated the triannual documentation filing for families who do not have a fixed work schedule. The Appropriations Committee failed to get the bill off of the suspense file for a vote of the committee. Now the bill is dead.

As of October 2015, the California Department of Education (DOE) estimated more than 250,000 children receive child care subsidies who could benefit from the provisions of this bill, particularly, the measure updating the income guidelines to qualify for child care. We're talking about stability, security and upward mobility for a quarter of a million of California's children. Yet, it did not happen.

Until recently, the bill had bipartisan unanimous support in the Assembly and in the Senate Education Committee prior to the Senate Appropriations Committee. The committee based its decision on a fiscal analysis -- provided by its staff and the Department of Finance -- that suggested the cost of implementing the bill could reach up to $30 million. The analysis was based on the false assumption that no parent would ever leave the program because of the bill's benefits.

But that is simply not true. At age 13, children no longer qualify, so they age out of the assistance. In addition, many families are moving out of state, as housing costs are rising beyond affordability for far too many families. For a host of other reasons -- such as feeling they are stable and want to pass the subsidy onto another family, or realizing that they can't find a child care provider that meets their needs -- families leave the program.

The California DOE's researchers and analysts suggested the cost of implementing the bill would be $1-5 million because only 5-10 percent of families who typically leave would continue to be eligible under this bill. Unfortunately, their estimate was not accepted by California Gov. Jerry Brown's administration.

This recent debacle highlights the critical disconnect between the understanding of working families' needs for child care and the government's willingness to adjust to those needs.

The cost of child care in the US has risen by 70 percent between 1985 and 2011. Depending on the number of children and the type of child care setting, child care in California can cost on average of $13,327 for an infant in a child care center, or $8,462 for an infant in a family child care home.

For a preschooler, those costs average $9,106 in a center and $7,850 in a family child care home. For a single mother making the state minimum wage with a yearly income of $18,720 per year, without a child care subsidy, 75 percent of her income would go for housing. She would need 49 percent to cover the cost of care for a preschooler.

Conachy, the mother of two in Santa Rosa, is grateful for the assistance, but was hopeful for an adjustment to the requirements to qualify for the assistance she needs. "Having this service has allowed me to be able to go to school full time, work part time as an employee and I am now venturing out into the self-employment world. It is wonderful that I am able to do all this," Conachy said. "But just keeping track of reporting all the paperwork, and getting other people to fill out paperwork on a regular basis is incredibly difficult. With any delay from any one of those pieces, I do not get care and cannot get the care I need to do all the things the very care is making possible."

Some families can't keep up with the stress of documentation and leave the program. Others like Angelina Torres, a married mother of a 3 year old and 9 month old, see the economic value of a child care subsidy and can't give it up.

Torres and her husband pay a parent fee of $160 per month for high-quality child care in their community. If she loses her subsidy, she would have to pay $1,200 per month for care for both her children in a family child care home. But the income guidelines to qualify are based on data that is at least a decade old.

Torres and her husband cannot earn more than $3,908 per month in gross income. Knowing the wage ceiling required to qualify for assistance, Torres went to her husband's employer and begged him not to give her husband the raise he had offered because they would no longer qualify for child care assistance.

"They thought I was crazy," Torres said. "They wanted to reward him for getting a new license and I thanked them for that, but said it would cost us far too much more than what he would gain."

Without an adjustment from this bill, parents continue to proceed with a broken system that disincentivizes promotion and expects too much paperwork.

At the state level, parents can't count on Governor Brown to end these policies this year because of the high price tag, while at the same time, he struck a deal with the legislature to put an additional $2 billion in the rainy-day fund above what is constitutionally required. The rainy-day fund now has $6.7 billion in it.

Fortunately, Brown did recently pass an incremental state minimum wage increase. In January 2017, the state minimum wage will increase to $10.50 per hour. Unfortunately, though, for two-parent families earning the minimum wage, the outdated income eligibility guidelines for child care may cost these families to lose child care services.

The higher minimum wage will not cover the cost of child care, which exceeds the cost of college tuition in 33 states.

At the federal level, child care has been the center of discussions for the presidential candidates of both major parties. Republican presidential candidate Donald Trump proposed that everyone could have affordable child care through his plan to exclude average child care costs from taxable income. Most critics have said his plan would be a giveaway to the highest income earners and not help middle- or low-income families who wouldn't qualify and struggle with making child care payments every month.

Meanwhile Democratic presidential candidate Hillary Clinton promises that under the plans she will pursue if elected, child care will cost no more than 10 percent of a parent's income, though she hasn't unveiled how that would actually happen.

So when does relief come for working poor parents?

Certainly we want to ensure that parents who receive public benefits are accountable. But where is the accountability from their government to ensure they are implementing policies that help -- not harm -- families?

Activists will not turn our backs on these families and we hope our government won't either.

-reprinted from Truthout

Region: United States [3]

Tags: affordability [4]

accessibility [5]

cost [6]

Source URL (modified on 27 Jan 2022): https://childcarecanada.org/documents/child-care-news/16/08/nightmare-continues-californias-broken-child-care-subsidies-system

Links

[1] https://childcarecanada.org/documents/child-care-news/16/08/nightmare-continues-californias-broken-child-care-subsidies-system [2] https://truthout.org/articles/the-nightmare-continues-california-s-broken-child-care-subsidies-system/ [3] https://childcarecanada.org/taxonomy/term/7865 [4] https://childcarecanada.org/category/tags/affordability [5] https://childcarecanada.org/category/tags/accessibility [6] https://childcarecanada.org/category/tags/cost