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Programs to Improve Quality of Child Care and Preschool

L E G I S L A T I V E A N A L Y S T ' S O F F I C E

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Hon. Kevin McCarty, Chair





Overview of Quality Improvement Programs in California



Federal Law Requires States to Spend a Certain Amount Each Year on Improving the Quality of Child Care and Preschool

- In 2016-17, the state was required to spend 10 percent (\$78 million) of its federal funds and state matching funds on quality improvement activities.
- The quality spending requirement is set to increase gradually over the next several years, reaching 12 percent by 2020-21. (Assuming federal funding remains flat, the state would be required to spend \$95 million on quality improvement activities in 2020-21.)



Federal Law Allows States to Count Various Activities Toward Meeting Requirement

- Federal law specifies ten allowable quality improvement activities. Activities include training for child care and preschool providers, developing early learning materials for providers, enforcing licensing requirements, and providing information about child care options to parents.



California Currently Supports About 30 Quality Improvement Programs

- California counts certain state-level activities, including licensing enforcement and development of early learning resources, toward the quality spending requirement.
- The state counts the core activities of Resource and Referral (R&R) agencies and Local Planning Councils (LPCs) toward the quality spending requirement. Both R&Rs and LPCs operate in every county in the state. R&R agencies collect data on child care providers and help parents find child care, whereas LPCs identify areas with the greatest unmet need for child care and help coordinate child care services.



Overview of Quality Improvement Programs in California

(Continued)

- The state also counts toward the quality spending requirement specific programs run by R&Rs, LPCs, and other county-level entities. For example, R&R agencies conduct specific types of child care provider training, LPCs provide stipends to early educators in their county completing child development courses, and community colleges pay the cost of some students' application fees for the Child Development Teacher Permit.



Quality Rating and Improvement System (QRIS)



State Also Provides Funding to QRIS Consortia

- In 2016-17, the state counted \$800,000 provided to QRIS consortia for child care programs serving migrant children towards the quality spending requirement.
- Consortia also received \$75 million that was not counted toward the quality spending requirement. Of this amount, \$50 million was Proposition 98 General Fund for State Preschool QRIS and \$25 million was from First 5 California for QRIS for all types of programs.



Consortia Have Small Presence in Many Areas of the State

- Currently, California has 48 consortia serving a small percentage of child care and preschool providers located across all 58 counties.
- Consortia include R&R agencies, LPCs, First 5 Commissions, local education agencies, community colleges, and other agencies such as child care providers.



Consortia Rate Providers and Offer Resources to Help Providers Achieve and Maintain High Ratings

- Consortia assess providers using a five-tier matrix, with Tier 5 the highest level of quality and Tier 1 the lowest level.
- The matrix examines many aspects of providers, including their staffing ratios, staffing qualifications, quality of child-teacher interactions, use of child observations to inform curriculum, use of developmental screenings, classroom environment, and director qualifications.
- Consortia have flexibility in how they help programs achieve and maintain high ratings. For example, a consortium might provide financial aid to teachers so they can take classes or give grants to providers for purchasing materials and supplies.



Revised Quality Improvement Expenditure Plan



2016-17 Budget Act Directed CDE to Revise Quality Improvement Expenditure Plan

- Provisional language directed CDE to retain funding for R&R agencies, LPCs, and licensing enforcement and prioritize the rest for QRIS.
- CDE submitted the revised plan to the Legislature in February 2017.



Revised Plan Shifts \$5.1 Million to New Infant and Toddler QRIS Block Grant

- The revised plan begins phasing out one small financial aid program and reduces funding slightly for eight other programs. It redirects the accompanying \$5.1 million to QRIS consortia for rating infant and toddler child care providers and helping those providers improve program quality.



CDE Proposes to Add New Rules to Some Existing Programs

- CDE plans to require providers using certain statewide training programs to be participating in QRIS.



Some Activities Are Essential to Support Subsidized Child Care and Preschool

- Essential activities include helping parents find child care, collecting data on child care providers, identifying areas in the state with the greatest unmet need for subsidized care, and inspecting licensed facilities.



Quality Improvement Spending at County Level Can Lack Coordination and Be Difficult to Target to Highest Priorities

- Within each county, multiple entities participate in quality improvement programs, without an overarching improvement plan.
- Without such a plan, quality spending can be inefficient, potentially with too much spending on some types of support and too little on other types.
- The detailed requirements of many quality improvement programs can limit county-level support entities from being able to address their highest improvement priorities.



Little Information on Effectiveness of State-Level Programs

- Data collected for each program is often insufficient to assess its effectiveness.
- Although the state has conducted evaluations for three programs between 2009 and 2016, none of these evaluations measured whether the programs improved the quality of child care or were cost effective.



Funding Disproportionately Serves Providers That Already Meet Higher Standards

- Of \$28 million in CDE's revised plan for training and financial aid, 28 percent is restricted to contract-based providers that already meet higher standards. Under CDE's revised program rules, another 37 percent would be prioritized for programs participating in QRIS, which also tend to be contract-based providers.
- Focus on contract-based providers is concerning because nearly three-quarters of subsidized infant and toddlers and one-quarter of subsidized preschoolers are served by voucher-based providers.



Shifting Funds to QRIS Provides More Flexibility in Types of Activities but Limits Providers That Can Benefit

- Proposal allows county-level support entities to conduct activities they deem most important.
- Since a small percentage of providers participate in QRIS, restricting the funds to QRIS consortia limits the number of entities that can receive support.



Recommendations



Retain Funding for Essential Activities

- Retain funding for helping parents find child care and identifying areas in the state with the greatest unmet need for child care. Currently, these functions are performed at the county level by R&R agencies and LPCs.



Repackage Other County-Level Funding Into Block Grant

- Combine seven programs currently run by county-level support entities into a county block grant totaling \$21 million.
- Require key support entities in each county to designate a lead agency and agree on a plan for how funding will be used, taking into account the providers and the subsidized population in their area.
- Allocate the block grant funds based on each county's percentage of statewide subsidized child care and preschool slots.
- Collect data from counties on how block grant funding is spent.



Ensure Non-QRIS Participants Have Access to State-Level Programs

- Reject CDE's proposal to limit access to certain state-level programs to providers participating in QRIS.



Evaluate Effectiveness of State-Level Programs and Revisit Funding Levels in the Future Based on Results of Evaluations