

LAO Child Care Recommendations

LEGISLATIVE ANALYST'S OFFICE

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Senate Budget Committee No. 3 on
Health and Human Services





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Child Care Eligibility



Shifting California Work Opportunity and Responsibility to Kids (CalWORKs) Families to General Child Care

- Delay the shift of the Stage 3 program to Alternative Payment child care until counties have created centralized waiting lists.
- Place current CalWORKs child care on the waiting lists based upon the date that they first had earned income in the program.

Child Care Rates



Tiered Reimbursement: Proposal to Create Incentives for Quality Makes Sense

- Consider the proposal in two parts.
 - Determine if a tiered reimbursement rate structure that provides incentives for quality makes sense.
 - Determine the appropriate rates for the tiers given the dual goals of promoting quality and child development and preserving family choice.



LAO Child Care Recommendations *(Continued)*



Transition Title 5 Providers Reimbursement to Mirror Voucher Programs

- Transition reimbursement rates for State Department of Education (SDE) contracted providers to be based on the rate provided to voucher providers.



“Pick-Five” Regulations Would Enhance Rate Equity

- Implement regulations for an alternative rate-setting methodology for subsidized child care provider reimbursements when they serve no private pay customers.



New Regional Market Rate (RMR) Survey Methodology Shows Promise

- Require SDE to report to the Legislature about the new RMR methodology, including how the new survey may improve the accuracy of the Pick-Five regulations.