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Working Paper Series

Implementing CalWORKs Support Services: Child Care in Los Angeles County

By: Brenda Ball Cuthbertson

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The Lewis Center for Regional Policy Studies
UCLA, School of Public Policy and Social Research
3250 Public Policy Building
Los Angeles CA 90095-1656

Director: Paul Ong

Phone: (310) 206-4417

Fax: (310) 825-1575

<http://www.spsr.ucla.edu/lewis/>

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Executive Summary

The welfare system in the United States is embarking on a major transition. Aid to Families with Dependent Children (AFDC), an entitlement program enabling low-income parents to stay home with their children, has been replaced with Temporary Assistance to Needy Families (TANF), a time-limited benefit that requires parents to work or participate in work-related activities as a condition of aid receipt. If parents are to meet work requirements, they must have access to child care services. Yet the cost of care or an insufficient supply of child care providers could limit child care accessibility. In this report, I evaluate Los Angeles County's plan to assist recipients in securing child care services.

Los Angeles County's welfare plan operates under the California Work Opportunity and Responsibility to Kids Act (CalWORKs). The CalWORKs legislation intends to improve access to child care by offering direct payments to child care providers on behalf of recipients. Since reimbursement rates vary by the type of provider selected, it is necessary to anticipate the type of care that parents will select in order to secure sufficient funding for subsidies. Types of care include licensed centers, licensed family day care, and exempt care – care provided by a friend, relative, or other person who is exempt from licensing. The state and county disagree over the amount of funds necessary to cover the cost of subsidies in year one. My investigation suggests that this disagreement is rooted in different assumptions about the type and costs of child care services that parents will use. There will likely be a subsidy shortage if providers' fees are above the average county rates and near the maximum reimbursement allowed for under the legislation.

Calculating the sufficiency of child care providers is an arduous task for planners due to the immeasurable presence of exempt care (care provided by friends or family). Identifying the percentage of recipients likely to rely on licensed care and comparing those estimates to known licensed supply, reduces the need to assess exempt care. Focusing on licensed care is reasonable since planners and policy makers have little control over the development of exempt care.

Using data on AFDC recipients in California, I identify the types of child care parents have traditionally used and consider policy changes that may increase licensed care use. I find that greater hours of work and access to child care subsidies expand the use of licensed care. Based on my findings and other relevant research, I set licensed care demand estimates to evaluate current funding and supply provisions. To target development funds where they are most needed I compare the number of CalWORKs children expected to seek licensed care to the available licensed care slots within zip code areas noting differences in demand for licensed care among different ethnic groups or for children of varying ages.

Key Findings

Demand

- The percentage of recipients relying on licensed child care will likely increase (up to about 50%) under CalWORKs.

Funding

- A child care subsidy funding shortage of at least \$10 million dollars is expected for FY98-99 if provider fees are near the maximum reimbursement rates. If providers serving CalWORKs children charge average county rates, current funding should cover costs.

Supply

- Zip codes with high concentrations of CalWORKs recipients have the greatest licensed child care shortages.
- Shortages range from 200-600 slots in the fifty zip codes with the greatest needs in FY98-99. Some recipients in high need zip codes may be able to access care in neighboring zip codes that have a larger supply of providers. However, many of these zip codes are clustered together in south central Los Angeles limiting access to care in adjacent zip code areas.

Development

- Preschoolers are the most likely group to seek licensed care, followed by infants.
- Latinas' preference for licensed child care does not differ from the preferences of non-Hispanic whites until immigrant status is taken into account. Latina immigrants are more likely to prefer center care than either non-immigrants or Whites.

Recommendations for Action

Address the potential funding shortage

- Investigate additional funding sources- Social Services Block Grant, CalWORKs Block Grant
- Add insufficient subsidies to the list of "good cause exemptions" from work requirements
- Monitor the type and costs of care recipients use in FY98-99 to more accurately predict the amount of subsidy funding needed in FY99-00

Address supply shortage

- Target high shortage zip code clusters for development
- Monitor employment/compliance rates to identify areas where the need for care grows at a faster rate
- Recruit school districts to offer before-and-after-school-care
- Encourage centers to provide off-hour care to meet the needs of recipients working non-traditional hours
- Expand the number of Family Day Care Homes while increasing education requirements that will enhance the quality of this type of child care

I. Introduction

In order for Los Angeles County to comply with requirements to move welfare recipients to work, they must ensure that recipients' children have access to child care services. Two potential barriers parents face are the cost of care and an insufficient supply of child care providers. Actions taken by the county and the state to remove these barriers are based on assumptions about the types of child care that recipients will seek. This report reviews the new welfare legislation, estimates the type of child care that recipients will depend on, and evaluates whether county and state efforts to make child care affordable and accessible are sufficient.

II. Background

In 1996 Congress passed the Personal Responsibility and Work Opportunity Act (PRWORA), radically changing the welfare system. Aid to Families with dependent children, an entitlement program, was replaced with Temporary Assistance to Needy Families (TANF), a time-limited program funded through block grants to the states. PRWORA limits recipients to five years of federal cash-aid and requires participation in work or work preparation activities as a condition of aid receipt. PRWORA also sets measurable employment and caseload reduction benchmarks for states to meet while allowing for more flexibility in the programs states design. According to the original timeline, states (including California) that failed to employ 25 percent of their single-parent caseload and 75 percent of dual parent families in 1997 were sanctioned. By the year 2002, required employment rates increase to 50 percent and 90 percent respectively.¹

California responded to the national legislation by enacting the California Work and Opportunity and Responsibility to Kids Act (CalWORKs). In this program, all able-bodied adults must engage in a four-week job search upon enrollment. Those unable to secure employment participate in work-related activities. Single parents must spend a minimum of 32 hours a week working or in a work-related activity such as job training or English language development. For dual parent families, 35 combined hours are required. Time limits on recipients and sanctions imposed on states failing to reduce their caseload make swift employment a necessity in this new era of welfare. Yet many recipients face barriers to employment, including the inaccessibility of child care. The state called upon each county to address this and other issues that could inhibit recipient labor force participation.

Lack of access to child care has been well documented as a barrier to mothers' labor force participation. Hotz and Kilburn (1995) found the high cost of child care to be associated with lower levels of maternal employment, while Ribar (1992) found that child care subsidies increased mothers' labor force participation. Without assistance, recipients earning minimum wages would have to spend between 45 and 64 percent of their income to receive center based child care services for just one child (CCCRN, 1998). Exempt care provided by a friend or relative would be less expensive, but many recipients lack access to this more affordable type of care.² Prior to PRWORA

¹ States can exempt from the work requirement single parents with children under the age of one and disregard these individuals in the calculation of participation rates for up to twelve months.

² Findings from the 1984 English-Spanish version of the Work Pays Demonstration Project Survey indicate that only

and CalWORKs, the federal Family Support Act of 1988 provided a variety of child care subsidies to address this need within the AFDC population. Unfortunately, the system was complicated and difficult to navigate; few recipients were aware of the benefits that existed. Under CalWORKs, planners transformed the subsidy system into one that is more accessible and appropriate for recipients. (Appendix 1 details systematic problems and changes.) The new legislation mainstreams the network of subsidies into a single three-stage subsidy system that is funded by the state and administered by the county.³ Counties receive funds through the Child Care Development Block Grant (CCDBG) to cover recipient families' child care expenses for children under the age of eleven when their parents are involved in work related activities. The state will provide additional support for children eleven to twelve years old if funds are available.

The legislation states that the county will reimburse child care providers serving recipient children for the full costs of care as long as their fees fall below the regional market rate (RMR) for the type of care provided. The RMR is set at 1.5 standard deviations above the mean cost of care for each type of provider (licensed center, licensed family child care home, or exempt provider) and for each age group served (infant, preschool, or school age).^{4 5} For more information on the types of providers see Appendix 2. Over 90 percent of providers' fees fall within this range, yet subsidies could run short if the projections determining the overall size of the CCDBG were inaccurate.

The current CCDBG allocation of \$282 million for Los Angeles County must provide subsidies for the 61,920⁶ recipient children expected to depend on child care subsidies this year (FY98-99). The County's Department of Public Social Services (DPSS) claims this amount is insufficient, calculating a \$44.5 million short fall. Their claim is based on the expectation that licensed care use among recipients will increase to about 40 percent which would significantly increase costs since the reimbursement rate for licensed care greatly exceeds the reimbursement for exempt care. In the next section, I investigate DPSS's claim and identify possible reasons for the discrepancy between county and state projections.

45 percent of respondents believed they could find someone to watch their child if they were to work part-time.

³ Recipient status and local funding sources differentiate the three stages of the child care subsidy system. Transition from one stage to the next is intended to be invisible to the recipient who enters the subsidy system through their local child care Resource and Referral Agency (R&R). CDSS funds Stage I subsidies covering recipient child care cost for up to six months or until child care needs are stable. Then, the recipient enters Stage II and remains there for up to two years after leaving public aid (seven years maximum). The Department of Education funds child care subsidies for recipients in Stage II and III. R&R agencies update the recipients' status as they move to a new stage without a disruption in provider payments. Former recipients who continue to earn less than 75 percent of the state's median income after Stage II subsidies are exhausted qualify for Stage III subsidies. Wait list for Stage III subsidies are so long that Crystal Stairs, one of Los Angeles County's R&R's, plans to put incoming recipients on the list immediately in the hope that they will make it to the top by the time they actually qualify.

⁴ The RMR is based on the mean cost of care as determined by a bi-annual countywide survey that stratifies child care rates by the age group served and type of care provided - licensed center, licensed family child care home, or exempt care. See Appendix 1 for a description of child care settings.

⁵ Reimbursements will not be provided for care by parents, legal guardians, persons under the age of eighteen or members of the assistance unit.

⁶ The 61,920 children only account for about 19 percent of all TANF children in Los Angeles County. This number initially seemed quite low but likely takes into account low participation rates during the initial transitory period. A And report (Salmon et al., 1999) found that 50 percent or more of welfare recipients failed to show up for required orientations. Of those who came about 60 percent actually found work, so the 19 percent estimate is viable.

Realizing that demand for care will likely exceed the supply, the state set aside funding for child care capacity development. The \$1.9 million allocated to Los Angeles County must target areas with the greatest need. An analysis of variation in demand for licensed care based on demographic characteristics will inform development efforts. Some planners claim that Latinos prefer to rely on friends and relatives for child care, reducing the need for development of licensed care in predominantly Latino communities (Healy, 1998). Identifying differences (or the absence thereof) in the type of care used or preferred by Spanish speakers lends empirical evidence to this debate. In addition, if preschool aged children are more likely to attend licensed facilities than are children of other ages, development funds should be focused on facilities serving this age group.

III. Estimating Demand

This section examines the key questions on the demand side:

1. What type of child care do welfare recipients rely on?
2. How will increased work hours and access to subsidies affect demand for licensed care?
3. Does choice of care vary across ethnic groups or for children of different ages?

I use a statistical model to estimate demand for licensed care based on data collected by the California Department of Social Service's (CDSS) Information Services Bureau through the Job Readiness Survey. The Job Readiness Survey was conducted with a random sample of California's AFDC recipients drawn from the Department of Health Services Medi-Cal Eligibility Data System during the months of May, June and July 1996. Adults in the assistance unit answered a series of questions about work experience, education, and factors affecting the transition to work including child care. The entire sample contained 1,319 assistance units. Limiting the sample to those who 1) were currently employed or had previously held a job, and 2) claimed they would need childcare for one or more of their children under the age of eleven if working decreased the sample size to 652. Excluding cases for which childcare information was unavailable or problematic further reduced the sample to 548.⁷ In the analysis I take into account policy changes that may increase reliance on licensed care, and differences in demand that may impact development decisions.

The analysis has two limitations. One, the general AFDC population did not face work requirements nor were they aware of the child care subsidies for which they qualified. These factors may influence the type of child care used. Without subsidies, few recipients could afford licensed care. Those lacking access to exempt care provided by a friend or relative may have been less likely to work, excluding them from my sample. If this is the case, my estimates of reliance on licensed care will be low and coefficients from the regression may be biased. Two, the results of this investigation will

⁷ About 15 percent of my sample said that child care was not applicable, although they had young children and work histories. This reflected a past/present conflict in the data. Questions related to children's ages are in the present while work related questions deal with lifetime work experience that may have occurred only in the past. Most of the not applicable responses are from households with infants, suggesting that these recipients had not worked since the birth of their child and therefore the child care questions were not applicable. For this reason, I excluded them from my sample.

not be generalizable to the entire AFDC population if recipients without work histories differ in their child care choices. Twenty-two percent of the sample with children under 11 had not worked in the past and were excluded from the sample. Only half of this group reported using child care services. The pattern of care used paralleled the choices made by recipients with work histories mitigating concern about generalizations.

Methodology

Using cross tabulations and a multinomial logistic model, characteristics associated with licensed child care use are identified. The dependent variable (care type) is constructed from recipient responses to the question; While working or participating in an educational/vocational program, what child care arrangement have you used most often? There are three possible answers:

- **Exempt care** - care provided by a friend, neighbor, relative, or other exempt from licensing.
- **Family Day Care Home (FDC)** - care provided by a licensed provider in their home.
- **Child Care Center (CENTER)** - care provided at a licensed child care facility

Nineteen percent of the entire sample relied on licensed care (12 percent in childcare centers and 7 percent in family child care homes). This percentage fails to account for changes in welfare policy that could affect child care choices, and gives little insight to planners who must target areas for development.

Using cross tabulations, Table 1, compare the child care choices of Spanish speakers to English speakers and looks for differences in care choices related to the ages of recipient children or the number of hours parents work. Spanish speakers seem far less likely to rely on licensed care overall. No Spanish speaking parents use licensed family day care and only 3 percent use licensed centers (compared to 12 percent of other parents). Preschoolers are the most likely age group to be in licensed care centers with 18 percent attending. There also appears to be a positive relationship between hours worked and center use but not family day care use.⁸

⁸ The actual percentages associated with each category are artifacts of the categories I created. Including several transformations of the hour's variable in the regression portion of the analysis gives a better indication of the relationship.

Table 1. Percent Using Licensed Care by Selected Variables, Los Angeles County Welfare Recipients 1996; N = 548

Explanatory Variables	Child Care Centers	Family Day Care	Total licensed care use
Language			
English	12	7	19
Spanish	3	0	3
Other	12	23	27.9
<i>Chi2 prob = .00</i>			
Child Ages⁹			
Preschool	18	8	26
Infant	13	9	22
Schl. Age	3	3	6
<i>Chi2 prob = .02</i>			
Weekly Work Hours			
1-10	0	9	9
11-20	11	5	16
21-30	12	12	24
31 or more	14	6	20
<i>Chi2 prob = .07</i>			
Total	12	7	19

Source: Job Readiness Survey (CDSS, 1996)

Unfortunately, the bivariate relationships seen in Table 1 do not control the interrelationships among the variables of interest and therefore may overstate or understate the importance of certain variables. For example, the relationship between child's age and licensed care use may be overstated due to the omission of number of children from the model. In table 1 it appears that parents are less likely to use licensed care if their children are school-aged. But, this may be a false relationship since households with school-aged children are more likely to have multiple children ($r = .5$) which multiplies the higher cost of licensed care. Therefore, parents with school-aged children may use less licensed care because of higher costs, and not because of different preferences based on their children's ages. Regression models allow us to eliminate some of this confusion. Including multiple determinants of licensed care in the equation below allows us to observe the effect of individual variables, net of their relationships with other variables in the model. The specification I use is:

$$\text{Caretype} = b_0 + b_1(\text{child ages}) + b_2(\text{workhours}) + b_3(\text{\# of children}) + b_5(\text{single parent}) + b_6(\text{education}) + b_7(\text{earning}) + b_8(\text{Spanish speaker}) + e$$

⁹ Sample limited to those currently employed for cross tabulations of licensed care use due to the potential for ages to be inflated at the time of the survey for those whose work experience was in the distant past. Limiting the sample did not change the trend and increased the χ^2 significance.

V indicates a series of dummy variables for child ages and education. This model allows us to see the relationship between children's ages and a parent's choice of licensed care, holding constant the number of children in the household, hours worked by parents, educational background, earning and language.

The independent variables are defined as follows:

- **Child's age** - age of children in the household needing care while parent worked
 - Preschooler present in the household - Infant present in the household
 - School age present in the household
 - *families with multiple children may be represented in more than one age group¹⁰
- **Language** - Language spoken most frequently at home
 - English 68.7% of sample Spanish 14.6 % of sample Other 16.7% of sample
 - Other - included Russian, Armenian, Hmong, Cantonese, and Vietnamese.
- **Past/Present work hours (PPHRS)** - The number of hours worked per week in recipient's current or last job (used as a continuous variable for the regression collapsed into the following categories for cross tabulations: 1-10, 11-20, 21-30, and more than 30)

The following variables are included as controls in the regression model:

Cnum - number of children needing care if recipient were to work

Sparent -1 if only one adult is in the assistance unit, 0 otherwise

(Single adult assistance units may have more than one adult in the home.)

Inc - 95 earnings recoded at categorical midpoints and treated as a continuous variable¹¹

Grade - dropout '1, high school grad'2, some college'3, college degree'4.

I treat grade as a sequence of dummies because one year of education is not equivalent to another.

In the American system there are important benchmarks, like high school graduation, that make the completion of certain years more valuable.

Table 2 shows the results from this multinomial logistic regression model that compares the use of licensed family day care *or* licensed center based care to the use of exempt/other care. Positive coefficients indicate that a parent is:

- 1) more likely to use named type of licensed care than exempt care (if the variable is continuous like *work-hours*); or
- 2) more likely to use the named type licensed care than parents in the omitted category (if the variable is categorical like *child's age*).

For example, looking at the coefficients for center care we see there is a positive coefficient on hours. This tells us that parents working more hours were significantly more likely to use center care than exempt care. However, the negative coefficient on school age tells us that parents with school-aged children were less likely to use center care than parents of preschoolers (preschoolers are the

¹⁰ Running the model with exhaustive age combinations represented in the household did not significantly change the outcomes.

¹¹ Income categorical midpoints 1 = 500, 2 = 1,500 3 = 4,500 4 = 7,500 5 = 10,500 6 = 16,000 7 = 25,000 8 = 40,000. Treating income as a categorical variable did not significantly change the outcomes.

omitted category).

Table 2. Factors related to licensed child care use among AFDC recipients in California, 1996.

Independent Variable	Family Day Care	Center Care
	B (SE)	B (SE)
Child Ages*<i>Infant</i>	-.635 (.462)	-.313 (.367)
<i>School age</i>	-.829* (.496)	-.695** (.399)
Work Hours ¹²	.006 (.013)	.031*** (.011)
Number of Children	.075 (.209)	-.369* (.197)
Inc95	-.000 (.000)	-.000 (.000)
Single adult	-.622* (.379)	.591 (.465)
Education (less than High school omitted)		
<i>High school Grad</i>	.673 (1.055)	-.564 (.600)
<i>Some College</i>	.994 (1.065)	-.549 (.584)
<i>College degree</i>	1.98* (1.181)	1.424** (.737)

p ≤ .10* p ≤ .05** p ≤ .01 ***

Notes: Too few observations of Latinos caused the variable to be dropped from model. Odds ratios reported in Appendix 2. **preschool omitted*

The findings for child's age indicate that development funds should focus on both infant and preschool aged centers. The negative coefficients on children's ages suggest that preschoolers are the most likely group to use licensed care but, statistically, only households with school age children are significantly less likely to seek licensed care.¹³

The small number of Spanish speakers using licensed care prevented the model from determining if being in this group had a significant impact on childcare choices. As an alternative verification of the differences noted in table 1, I turn to other research on child care preferences. Table 1 noted that Spanish speakers used significantly less licensed care (12 percent of English speakers used licensed care centers vs. 3 percent of Spanish speakers.), yet research comparing low-income Latina and white mothers in California did not find differences in *preferences* for licensed care (Buriel and Hurtado, 1998). The difference in licensed care use is likely due to extreme shortages of licensed centers in predominantly Latino areas. Low-income Latino communities have only half as many licensed child care center slots as low-income black or white communities in Los Angeles County

¹² Hours was treated as a continuous variable. Regressions with quadratic and logarithmic transformations of the hours variable did not increase the explanatory power of the model.

¹³ Including exhaustive categories of age combinations in each household yielded a similar result.

(Healy, p5).¹⁴

The positive association between hours of work and center-based licensed care suggests that licensed care use will increase under the new legislation. Those who work more hours are more likely to use licensed center care. The positive trend exists for both types of licensed care but is only significant for center care. The odds multiplier for weekly work hours ($e^b = 1.03$; see Appendix 3) indicates that the odds of choosing licensed center care relative to exempt care increases by 3 percent for each hour worked. Since the data are cross-sectional, these results should be interpreted with caution. We cannot say that respondents increased licensed care use as their hours increased, but only that those who worked more hours were more likely to use licensed care. Looking at the number of children one has, we see a negative association with licensed center use. If the cost of care drives this association, licensed care use by families may increase once subsidies are available.

These findings suggest that the overall licensed care use rate (19 percent) should be modified to anticipate increased usage by families working more hours. The economic theory of demand provides further rationale for adjusting the figure upward; as the price of a good falls, more people will purchase the good. Greater access to subsidies that reduce the price of licensed care will make it more appealing to consumers. Licensed care use will likely increase by three groups: 1) those who preferred licensed care but could not previously afford it; 2) those who lack access to friend or family care but are now required to work; and 3) those whose exempt care arrangement is insufficient under increased work hours. Meyers' research (1993; 1995) suggests that the upward change could be substantial.

Meyers studied the child care choices of Greater Avenues towards Independence (GAIN) participants in California. GAIN resembled the CalWORKs program both in its participation requirements and in its guarantee of support services including child care assistance. Recipients in the program were more aware of the child care subsidies for which they qualified than the general AFDC population—70 percent of GAIN participants aware of available subsidies compared to 30 percent of AFDC recipients. Participants were randomly selected to participate in this program so their child care choices should reflect the choices that would be made by the general AFDC/TANF population, however, one limitation does exist.

Meyer's analysis included only single mothers. If the child care choices of single mothers differ from the choices made by dual parent families, the application of her findings will be limited. Some may argue that single mothers' reliance on licensed care would be relatively high because no spouse is present to share in child-rearing responsibilities. Yet, there may be no difference in licensed child care use if single mothers secure access to exempt care by living with other relatives or adults willing to provide child care services. The fact that the single parent variable in Table 2 did not significantly impact recipients' child care choices suggests that differences between single and dual parent

¹⁴ Differences in immigrant status could also explain the differences in the type of care Latino parents in this sample used. When controlling for immigrant status, native Latina mothers have a lower preference for center care and greater access to relative care than either immigrant Latina or white mothers. Latina immigrants, however, have a stronger preference for licensed care than whites.

families are minimal.¹⁵

Meyers finds that the type of care parents typically used for their children changed dramatically with their involvement in program activities. Prior to entering the program only 16 percent used licensed day care. Three months into the program 52 percent relied on either licensed day care centers or licensed family day care homes as their primary child care arrangement (Meyers, p #8). The increase in the number of hours that care was needed and guaranteed access to subsidies probably caused the shift.

Table 3 shows the variation in GAIN licensed care use by child age groups. Infants and preschoolers were again most likely to use licensed care but at a much greater rate than my estimate. Note that 22 percent of school-aged children had no regular child care arrangement.

Table 3. Current or Most Recent Child Care Arrangement for Youngest Child Used by Single Mother 3 Months After Starting Gain (%).

Arrangement	ALL	Infant 0-2	Preschool 2-5	School 6-12
No Care	8.3	.7	1.8	22.6
Friend/Family	39.2	37.7	38.2	42.9
Licensed Center	31.4	30.7	45.5	23.8
Family Day Care	20.6	30.7	14.5	10.7
Total	99.5%	99.8%	100%	100%
N	255	114	55	84

Source: *Social Service Review*, December 1995.

IV. Funding Implications

To assess the sufficiency of the current child care subsidy allocation, I use both the naïve Job Readiness demand estimate of 19 percent licensed care use and Meyers' 52 percent estimate. The naïve Job Readiness estimate assumes that program changes will not impact licensed care use among recipients, while the Meyers based estimate takes increasing program hours and access to child care subsidies into account. I adjust GAIN school age percentages so that those (22 percent) seeking no care in GAIN are categorized as exempt care users since DPSS's estimate includes only those children using care. I then divide the 61,920 children expected to need care during FY98-99 into age groups that reflect the composition of the Los Angeles County caseload. Finally, using both licensed care use estimates, I apply maximum reimbursement rates to calculate annual subsidy costs to the county. I assume that:

- 1) Child's age will not impact parent's compliance with work/ work activities requirements, that is, parents of preschoolers will enter the job market at the same rate as parents of school age children; and

¹⁵ Single parents' relationship to licensed family day care was negative and marginally significant ($p \geq .10$), that is, they were *less* likely to use licensed family day care than married parents and equally as likely to use center care.

2) All parents will utilize subsidies.¹⁶

Table 4. Annual Child Care Subsidy Cost Estimates for 98-99 fiscal year by Age Group.

	% of Child Welfare Pop.	Expected Number of children needing care by age group FY 98-99	Job Ready Cost Estimate (19 % use licensed care)	GAIN Study Cost Estimate (52 % use licensed care)
Infant	16 %	9,907	\$65,592,005	\$73,604,948
Preschool	32 %	19,814	\$120,132,329	\$129,692,698
School Age	52 %	32,198	\$100,428,098	\$121,149,217
Total	100%	61,920	\$286,152,432	\$324,446,863

NOTE: School age estimates based on part-time enrollment for nine months, infant and preschool based on full-time enrollment. Cost formula: $\Sigma(\# \text{in age group} * \text{percent in lic.care} * \text{RMR for type of care}) + (\# \text{ in age group} * \text{percent in unlic.care} * \text{RMR for unlic.care})$. See Appendix 4 for details on calculations.

Table 4 shows that there are significant model implications for funding. According to the naïve Job Readiness estimate, the current allotment of \$282 million is roughly sufficient for the estimated annual need of \$286 million. Conversely, when using the GAIN estimate we find a \$42 million shortfall. In this initial comparison, it appears that the state and DPSS used different estimation models to anticipate the demand for licensed care. It seems the state based its allocation on the assumption that increased work hours or access to subsidies would not affect recipient child care choices and that recipients currently working were not different from those unemployed in their access to child care by friends or relatives. Economic theory and empirical evidence suggest otherwise, so I rely on Meyer’s estimates of licensed care use for the remainder of the analysis. \

The GAIN results in Table 4 suggest that funds will be inadequate for the current year if DPSS has accurately projected the number of children relying on childcare. When using estimation techniques, however, it is important to test the sensitivity of the outcomes to changes in the assumptions. I modified the calculations to reflect the following possibilities:

- 1) DPSS overestimated the number of children needing subsidies by 10 percent; or
- 2) Providers’ fees fall 10 percent below the maximum reimbursement rate. The maximum reimbursement rates used in the first calculation are 1.5 standard deviations above average countywide rates; or
- 3) Licensed child care providers charge average market rates and the 22 percent of school-aged children originally categorized as exempt care users, use licensed family day care (the most expensive care for part-time school-aged children).

Budgetary shortfalls persist under the first two assumptions; \$14 million and \$12 million respectively. Conversely, when average market rates are assumed in the third scenario, funding is more than sufficient. See Appendix 4.

¹⁶ In Los Angeles, those who previously received free care from friends or family members may now apply for payments to be made to those providers. The incentive to do so is great because it brings more money into the

Whether the current subsidy allotment for 61,920 children will be sufficient depends on how close providers' rates are to the average countywide rates. If providers charge average rates, funding will be sufficient. If their rates are near the maximum reimbursement level, we will likely see a shortfall of at least twelve million. An analysis of providers' prices in areas with high concentrations of recipients would better inform planning efforts. The following precautionary actions should be taken to protect recipients if a funding shortfall occurs:

- First, the state should be encouraged to add insufficient subsidy funding to the list of Good Cause Exemptions. Currently, parents unable to find a suitable childcare provider or who lack transportation or geographical access to child care may be excused from work requirements. The county may resist adding another category to this list as only 20 percent of the entire caseload can be excluded for any reason (including drug addiction, mental illness etc.).
- Second, DPSS should investigate drawing funds from the Social Services Block Grant or the TANF Block Grant. Both of these sources are approved to fund child care subsidies but neither have been tapped.
- Finally, the county should contract Resource and Referral Agencies to track the child care choices made by recipients in FY98-99 and the cost incurred in each setting so that adequate funds can be set aside for FY99-00.

V. Child Care Supply

This section examines key questions of the supply side:

- 1) Are there a sufficient number of licensed child care openings?
- 2) If not, which zip codes have the greatest need?
- 3) What is the potential for recipients to seek service in adjacent zip codes?
- 4) What action should be taken to increase capacity if a shortage is detected?

I evaluate the sufficiency of current licensed supply by comparing 1998 county records of licensed capacity to counts of TANF recipient children by zip code.¹⁷ To determine the number of child care slots available, I assume vacancy rates of 15 percent for centers and 25 percent for Family Day Care providers based on a 1995 countywide survey by the Los Angeles County Child Care Planning

family and eases the continuation of childcare services provided by friends.

¹⁷ Number of TANF children taken from the July 1998 IBPS/CDMS file; Licensed capacity taken from June 1998 county licensing records. Unfortunately, there is a question regarding the accuracy of county licensing records. County records may overestimate the amount of care available due to the alleged high turnover rate among family day care homes. Firms going out of business in the middle of their licensed-year are not purged from the system until they fail to renew their license at the year's end. R&R records are a potential alternative but they may underestimate the presence of licensed care because only providers seeking referrals list their services with R&R agencies. In Los Angeles County, county records report a total of 237,797 child care slots compared to the 176,354 slots cited by the R&Rs (CCCR&R, 1998; CCDB, 1998). Fellmeth (1997) reports that the majority of FDC homes statewide do not list themselves with R&Rs which would explain at least part of this discrepancy.

Committee. Using the GAIN results from section III, I assume that 52 percent of TANF children will seek these available slots (with variation in demand by age groups as shown in Table 3). First, I run the analysis for those expected to use child care services during FY98-99, then I estimate supply sufficiency for the entire caseload.¹⁸ Arc View Geographical Information Systems (GIS) provides a visual display of the results in [Figure 1](#).

In these analysis I assume that:

1. all providers desire to enroll the maximum number of children allowed by their license;
2. recipients prefer care near their home (California's R&R Network reports that 81 percent of their clients request childcare services near their homes.);
3. near home is within recipient's zip code; and
4. work activity and licensed care use rates will not vary by zip code.¹⁹

Comparisons within zip code areas show that shortages do exist, although they are not countywide. Forty-four zip codes have shortages ranging from 100 to 625 slots during year one. Children expected to enter in FY98-99 only account for about 20 percent of the child caseload. Comparing *all* TANF children within the zip code areas yields much worse results; expected shortages in the top forty-four zip codes then range from 1,000 to over 4,000 slots. (See Appendix 5 for exact figures.) Shortages are concentrated in zip codes with high proportions of TANF recipients, following the economic theory of demand. These areas, characterized by stay at home/AFDC mothers, had less of a need for formal child care settings so few licensed care providers located there relative to the number of children.

Parents in some high need areas may access services in neighboring child care rich zip codes. For example, zip code 90006 in Figure 1 faces a shortage of 112 slots in FY98-99 but is surrounded by zip codes with child care surpluses where parents could access care. However, many high need neighborhoods are clustered together in south central Los Angeles. This clustering reduces the potential for recipients to seek care in adjacent zip codes. Example, zip code 90006 in Figure 1 faces a shortage of 112 slots in FY98-99 but is surrounded by zip codes with child care surpluses where parents could access care. However, many high need neighborhoods are clustered together in south central Los Angeles. This clustering reduces the potential for recipients to seek care in adjacent zip codes.

In addition, there are extreme shortages of licensed care that specifically target infant and school-aged children. The magnitude of the shortage is evident in a simple comparison of the numbers. Assuming vacancy rates do not vary by age group, over five thousand infants will seek the 1,447

¹⁸ The 61,920 children DPSS predicts will enter the system in FY98-99, only account for 20 percent of the entire caseload. In my initial estimation I assume only 20 percent of TANF children will enter the system and apply demand estimates by age group to those children. Then I include the entire child caseload for whom I have residential addresses.

¹⁹ Recipients in some neighborhoods may seek licensed care at different rates. Buriel and Hurtado (p.8) found that foreign-born Latinas were more likely to seek center based care than native-born Latinas who had greater access to relative care (12 percent vs. 4 percent preference for center care). Their findings suggest that areas dominated by immigrants have a greater need for licensed care due to their isolation from relatives. The zip code comparison does not take these types of demand differences into account.

vacant infant slots in FY98-99.²⁰ The 6,480 vacant school-age slots also fall short of the spaces needed for the 16,742 school-aged children expected to seek licensed care.

Note that the comparisons above do not take market elasticity into account. The rapid increase in the number of child care providers over the last twenty years without a real increase in child care wages indicates that this is a highly responsive market (Blau, 1992). Yet the magnitude of the shortages for specific age groups and geographical locations raises concern about the sufficiency of child care supply in Los Angeles County for FY98-99 and in coming years. This concern merits governmental intervention in the development of child care supply.

Figure 1 shows the geographical locations of the shortages in south Los Angeles County. North county's shortages were less severe and therefore excluded from the figure. (Supply estimates for the entire county are detailed in appendix 5.) Lighter shaded zip codes face the most drastic shortages and should be targeted for development efforts.

V. Development Recommendations

As the need for child care services expands in the wake of welfare reform, we must balance the need to increase capacity with the desire to provide quality care. Requiring quality improvements could slow market growth at a time when development is urgent, yet, we cannot ignore the long-term costs associated with low quality care. In this section I first recommend strategies to increase the quality of care overall without significantly impacting market entry, then suggest methods for targeting development in high need zip codes, and finally make specific age-group development recommendations.

Placing children in high quality care environments will benefit the family, the child and society at large. Mothers who are satisfied with their child care arrangement are more likely to continue to meet program requirements (Meyers, 1993). Recipient children receiving high quality care that contributes to their emotional and cognitive development will lead more productive lives and be less reliant on future governmental interventions that burden the public with higher taxes.²¹

Currently there is a great deal of concern about the overall quality of the child care market. Factors related to quality care are typically categorized into the following groups: structural features such as lower child-staff ratios and smaller group sizes; classroom/caregiver dynamics including caregivers' sensitivity; and staff characteristics such as child care experience and educational background (i.e., early childhood education training). Using these indicators, Howes and Helburn (1996) found that mediocre quality is common in *all* child care settings and high quality providers are rare. Centers fare better than FDC homes with only 12 percent receiving poor quality (or growth harming) rankings compared to 35 percent of family day care homes.

²⁰ Jane Arnold of the Child Care Planning Committee noted that the infant shortage is severe, with many centers running long waiting lists. Therefore the shortages are likely more extreme than noted here.

²¹ Cost benefit analyses of quality preschool programs targeting at-risk populations conclude that returns to investments in high quality preschool programs are great; that for every dollar invested the savings range from 2 to 7 dollars on future governmental expenditures. Savings are in the areas of special education, criminal justice, and welfare use. (Karoly, 1998)

Developing Quality Care

DPSS's current development efforts focus on FDC and exempt providers who can enter the market with minimal cost but tend to provide lower quality care. To increase the quality of child care services offered by all providers and to improve the developmental outcomes of recipient children, I recommend the following:

- *Utilize Parents as Child Care Monitors-* Parents are an essential factor for increasing quality care. They have more frequent interactions with providers than regulatory agencies and can encourage quality care with their patronage. However, they do not always recognize quality care (Meyers, 1995; p 683). Equipping parents with a quality check list before they enter the child care market will empower them to identify quality care while sending the market a message about what is expected. The list should include questions about the provider's licensing status, relevant training, and whether the provider plans daily age-appropriate activities. (Appendix 6 shows a sample check-list.) In addition, parents should be encouraged to make unscheduled drop-ins to observe child care activities on a monthly basis. A 1-800-line for parents to report regulatory violations or other concerns would enhance the regulatory process in this industry.
- *Increase Opportunities for Center Based Care to Develop-* Because of stricter regulatory requirements, centers tend to offer higher quality care.²² Yet expansion of this sector is difficult because of extensive structural costs. Center providers must build or renovate buildings to meet with specific government regulations for the design of child care centers. Construction costs range from \$5,000 to \$9,000 dollars per child served.²³ The following recommendations ease the expansion of center capacity by limiting or deferring these building costs.
 1. Expand hours of operation: Welfare recipients are likely to work off/odd hour shifts, but only 2 percent of centers are open during non-traditional work hours (Hofferth, 1995; Pressor and Cox, 1997; CCCR&RN, 1998). Expanding center hours to weekends and evenings would increase capacity to meet the need of recipients and allow center providers to enlarge their business without bearing additional structural costs. For this type of expansion to be effective, there must be an ample number of centers in the high need areas. The geographical analysis in Appendix 7 shows that this is the case for some zip codes including 90044, 90003, 90059, 90805, 90011, 90813 and 90250.
 2. Guarantee loans: Banks categorize child care centers as high risk despite their high payback rate. A guaranteed loan program would give potential providers access to the start-up capital they need.
 3. Utilize existing age-appropriate space: Many churches have classroom space that conforms to child care building codes and is vacant Monday-Saturday. DPSS should encourage

²² Centers are required to hire staff with a minimum of 12 units in early childhood education, to invest in educational materials and appropriate furniture and have a set plan of daily activities. Centers with more than 20 children must also have a director.

²³ The \$5,000 dollar estimate is based on the Para Los Ninos child care center renovation that added 40 child care slots. The \$9,000 estimate is based on the standard, quality child care center construction cost (\$125/sq.ft.) cited by Helburn and Krantzler and adjusted to correspond to California's square footage requirements (75sq.ft./child).

churches to become part of the solution by offering childcare services to the community directly or by contracting the space out to private providers. Schools also have space available before and after school. They are the best venue to address the school-age shortage.

- *Increase FDC Quality* - FDC homes will likely fill much of the child care gap in Los Angeles County. In densely populated areas, where suitable building space is unavailable, FDC Homes are able to emerge without significant structural cost. Increasing education requirements for FDC providers and providing subsidies for early-childhood coursework or contracting with R&Rs to provide free pre-service workshops and semi-annual conferences where providers can update their skills and knowledge of child development would significantly improve the quality of these child care sites.

Targeted Development

The county should target high shortage zip code clusters for development. Zip codes that appear to be in the greatest need of development follow: *First tier* - 90044, 90011, 90201, 90805, 9081
Second tier - 90003, 90002, 90059, 90262, 90280, 90255, 90221, 90723, 90806, 90804, 90744, 90250, 90006, 90026, 90057, 90033, 90063, 90022, 90023, 91723, 90037

Employment compliance rates should be monitored to identify areas where the need for care grows at a faster pace. I also recommend surveying these areas to verify demand before launching major development efforts. Some neighborhoods may have stronger social networks for child care provisions than others may, which would not appear in my data.

Although findings presented in Section III suggested that demand for licensed care would be the greatest among parents of preschoolers, the observed shortages for infant and school age care in Section V motivate a development plan for each age group.

School-aged children- Contracting school districts to provide on-site care before and after school as a low-cost, timely development option for this age group. Most schools in LAUSD provide an informal supervised playground after school. These programs can be expanded to other districts and formalized at a minimal cost.

While the school provides a fast, low-cost solution, quality improvements should not be overlooked. Higher quality, formalized after-school programs are associated with better behavioral and academic outcomes for low-income, school-aged children (Posner and Vandell, 1994). Classroom space and volunteer tutors (from local high-schools, area senior-citizens, etc.) can be utilized for a homework period, and enrichment programs can be developed to reflect the needs and preferences of individual schools.

Preschoolers - In addition to center expansions noted earlier, the county should support the superintendent of public instruction's plan for a universal preschool system in California. Welfare recipients are not alone in their pursuit of quality care for their children. Nationwide mothers are participating in the workforce; 54 percent of those with infants, 63 percent of those with preschoolers, and 78 percent of those with children age 6-17 (Senate Bill 17, 1999). The salience of this issue allows for the pursuit of this major structural change.

Infants- Research on the quality of infant care raises questions about the long-term cost of putting children in non-maternal care settings. A four state study that included California found that 40 percent of infant/toddler centers were sub standard due to poor sanitation, unresponsive caregivers, safety problems and/or lack of appropriate materials (Howes and Helburn, 1996). Several studies indicate that relative care yields the better outcomes for infants suggesting that we bolster this type of infant care (Hao & Kilburn, 1996).

The CalWORKs legislation encourages relative care for infants by waiving work requirements for mothers of newborns, 6 - 12 months, and through reimbursements to extended-family members providing care for recipient children. Still, once mothers start working they may not have a family member available to care for their children on a full-time basis. Reducing work hour requirements for single mothers with children under two would increase familial access through coordinated work schedules. Currently, Los Angeles County requires single parents to work 32 hours a week even though the federally mandated requirement is only 20 hours for parents with children under six. Joining the fifty-five other counties in California with similar child care concerns to petition the state for a reduction of hours may be necessary to gain approval for this adjustment.

VI. Conclusions

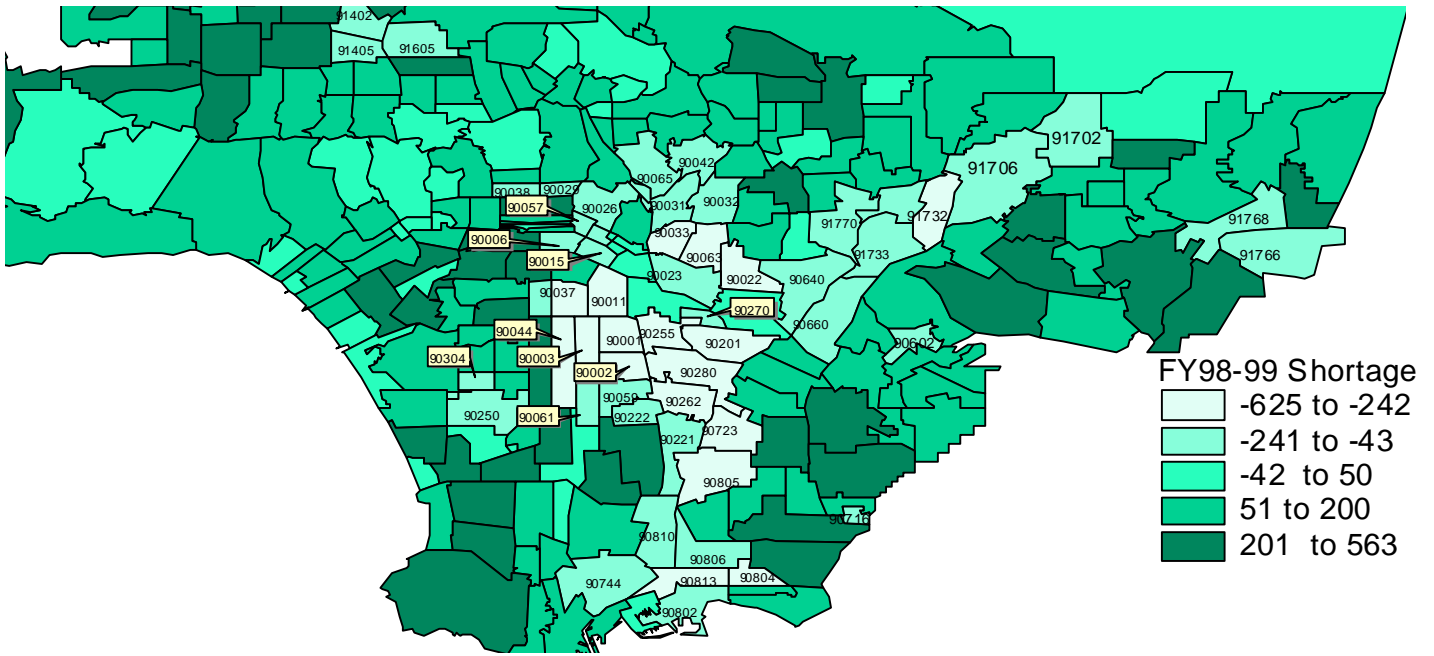
As the state and county attempt to meet federal welfare employment requirements, they must ensure recipients' access to child care services. To do so, adequate subsidy funding must be set aside to reimburse providers and development funds must be distributed in a way that appreciably increases child care supply to meet the anticipated demand. This study asserts that more than 19 percent of the caseload will rely on licensed care since adjustments must be made to reflect the changes in recipients work hours and access to subsidies. Comparisons to other studies, where the population more accurately reflected the environment that the new legislation brings, suggest that as much as 52 percent of the population will seek licensed care.

It is unclear whether the current subsidy allocation will be sufficient for FY98-99. If we assume that recipients seeking licensed care will find providers who charge average county rates, the funding will be sufficient. If providers charge rates at or near the maximum reimbursement rate, there could be a funding short fall of at least twelve million dollars.

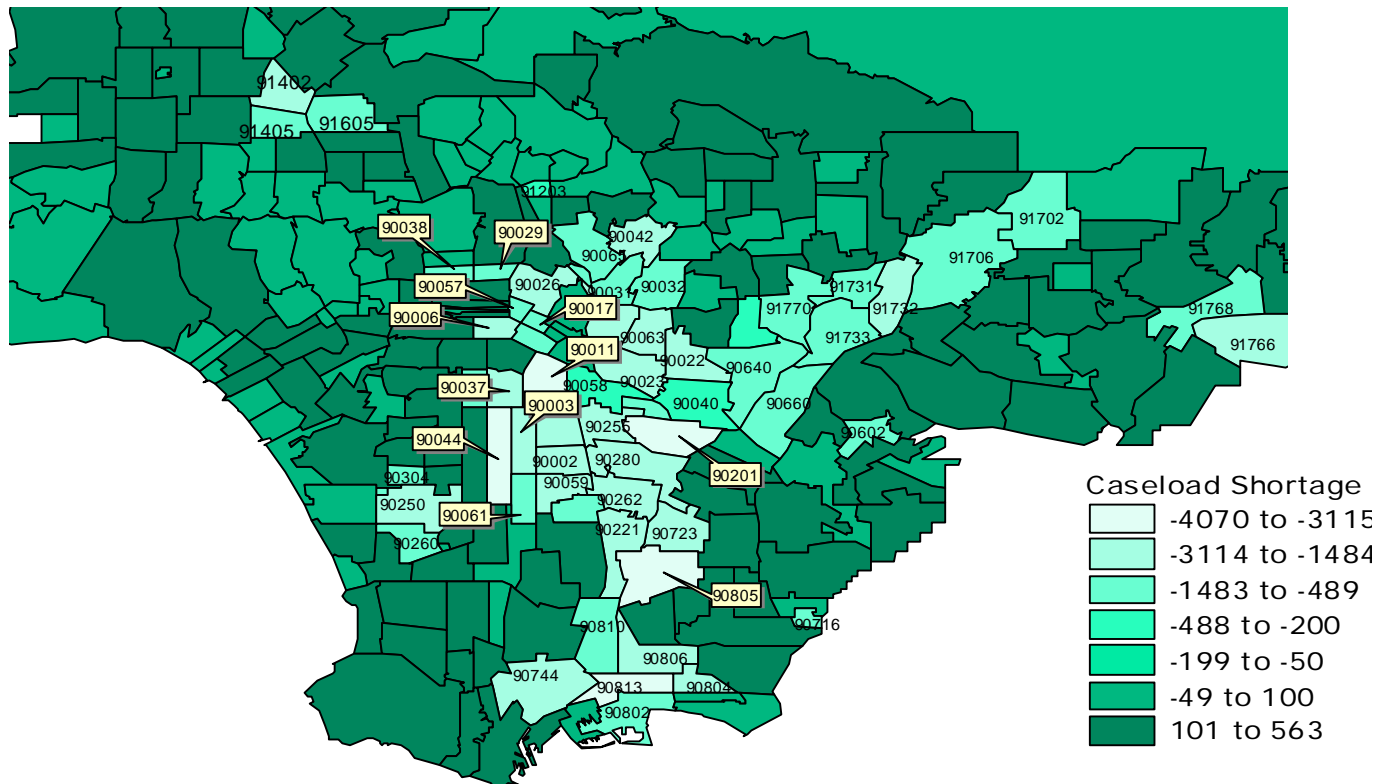
In addition to the potential subsidy shortage, the county faces a shortage of licensed child care providers in areas with high concentrations of CalWORKs recipients. It is essential that the county consider multiple factors in their efforts to develop child care supply including the ability of firms to enter the market quickly, as well as their potential to provide quality care. DPSS can responsibly address the shortage by altering their current provider recruitment strategies to include 1) increased educational requirements for family day care providers, who can enter the market quickly and 2) the facilitation of relationships between community organizations with underutilized child care space and center providers who provide higher quality care. If the county is successful in giving recipients access to high quality child care, we may find that recipient children are better off, having been placed in cognitively stimulating environments during a fundamentally important time in their development.

Figure 1: Child care shortages for children entering FY98-99 and for the entire caseload

Year one shortages when applying 20% of caseload under age 10 to vacant slots



Observed shortages when applying full caseload, age ten and younger, to current vacant supply:



* The legends show the shortage of licensed care slots by zipcode. Negative numbers indicate the number of children who will not find licensed care if the market is inelastic.

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Personal Interviews:

Kathy Malaske-Samu, Los Angeles County Child Care Coordinator
Mary Hruby, Crystal Stairs Resource and Referral Agency
Carleen Davis, Crystal Stairs Resource and Referral Agency
Jane Arnold, Para Los Ninos Child Care Center; Intern for Child Care Planning Committee
Arleen Chris, Family Day Care Provider

Appendix

Appendix 1: Pre/Post CalWORKs: Child Care Subsidies Under the Family Support Act of 1988 and Beyond

Appendix 2: Types of Care

Appendix 3: The Odd Multipliers (e^b) for the regression

Appendix 4: Child care subsidy shortage calculations for Los Angeles County

Appendix 5: Licensed child care shortages projected for Los Angeles County

Appendix 6: Child Care Check List

Appendix 7: Total licensed center capacity by zip code area

Appendix 1: Child Care Subsidies Under the Family Support Act of 1988 (Pre-CalWORKS)

Subsidy	GAIN	NET	AFDC Disregard	Supplemental Child Care (SCC)	Transitional Child Care (TCC)
Restricted to:	GAIN Participants	Non-GAIN recipients in approved education programs	Working Recipients	Working Recipients	Former recipients who exited through high earnings
Descriptions /problems	Participants in GAIN automatically qualified for subsidies that were paid directly to providers in some cases. Relatives providing care were also reimbursed.	NET child care was provided for those in Self-Initiated Education Programs (SIP). Participants were not automatically informed that they qualified for the subsidy and a lengthy application was required.	Working recipients could turn in child care receipts monthly and deduct up to \$200 from their reported earnings. This rarely covered the true cost of care so recipients could also apply for additional reimbursements through SCC.	This subsidy required an additional application and recipients were rarely informed of the option by eligibility workers. Only 39 recipients in the county received SCC reimbursements when Nunez came to DPSS a few years ago.	Recipients leaving aid due to increased earnings qualified for up to 12 months of TCC from the date that aid was terminated. When earnings (monitored through the CA7) were within \$100 of the termination amount, eligibility workers would send out a notice regarding the benefit. Unfortunately, most recipients would not continue to file the CA7 as they approached termination so the flag for notification was rarely tripped .

Structure of the Subsidy System Before and After CalWORKs

Prior to PRWORA and CalWORKs, the federal Family Support Act of 1988 provided a variety of categorical child care subsidies to address the needs of different groups within the AFDC population. Categories of eligibility included those involved in educational activities (GAIN or NET subsidies), those working and receiving welfare (AFDC Disregard and Supplemental Child Care) and those exiting assistance due to high earnings (Transitional Child Care). Head Start and After School Care were available to all recipients. Subsidy use rates were extremely low; below thirty percent according to the GAO's national report. Recipients in Los Angeles County did not depart from the pattern. Most subsidies required a state match, reducing the incentive to promote use locally. In a 1998 interview, Lisa Nunez of DPSS also blamed several structural problems for low use rates:

- Recipients had to pay providers up front and apply monthly for reimbursements (many could not afford this).
- Welfare workers were reluctant to inform recipients of the subsidies that they qualified for and slow to process applications and reimbursement papers.
- There were multiple points of entry into the system so recipients moving from one stage to another (e.g., from education to work) would have to reapply through a new venue and wait for their application to be processed. Even for those aware of the benefits, each transition would disrupt child care services.

Under CalWORKs, planners transformed the subsidy system into one that is more accessible and appropriate for

recipients. CDSS contracted local Resource and Referral Agencies (R&Rs)¹ to administrate the subsidy system. As advocates for children, these agencies are more likely to ensure that parents are aware of subsidies and of the variety of child care settings available. New recipients must sign a form indicating that they have received child care information from the agency. Other changes improving access include:

- Simplification of the application process - recipients will file a single application for child care subsidies and will draw from the same funding source whether in work or education activities; and
- Direct payments will be made to providers by R&Rs, eliminating the need for recipients to cover up-front child care cost.

Subsidy Funding Sources

Reimbursements to providers will come from the Child Care Development Block Grant (CCDBG). The bulk of this federal grant (75%) is reserved for subsidies, but it is also the funding source for quality improvements (5%) and early childhood education programs(18.75%). PRWORA consolidated the pre-existing network of recipient child care subsidies under this grant. While this simplification streamlines the application process for recipients and will likely increase subsidy use, it also changes an unlimited entitlement into a benefit with a capped funding source. Hao and Kilburn (1996) expressed concern that this structural change would lend itself to funding shortages.

¹ R&R agencies are non-governmental organizations that provide referrals to parents seeking childcare and training for child care providers. They also manage a variety of governmental programs related to child care (e.g. nutrition grants to child care providers from the Department of agriculture). In addition, local and state governments increasingly rely on R&R's to gather information about the availability and quality of child care.

APPENDIX 2: TYPES OF CARE

	Licensed Child Care Center	Licensed Family Day Care	Exempt Care
Description / Requirements	Qualified director and teachers w/early childhood training Scheduled daily activities Adult:child ratios Infant 1:4 Preschool 1:6 School age 1:12 Sq.Ft. per child: 75indoor-35outside Structural bldg. Codes CPR, health and safety check	Safety check CPR Small homes licensed for 8 children Large home capacity 14 children with two adults present	Criminal background check for non-familial providers Care one family's children in addition to one's own Development, recreation, and enrichment programs are included in this category although it generally refers to care provided by a family member or friend.
RMR for child cared for age 2-5	\$618	\$542	\$487
Site Checks	Tri-annual	Tri-annual	None
Capacity	137,650 slots in 2,134 centers	38,704 slots in 4,833 homes	UNKNOWN
Odd Hours	2% evening/weekend 36% before/after school	41 % evening /weekend 56% before/afterschool	Unknown

Appendix 3: The Odd Multipliers (e^b) for the regression:

Independent Variable	Family Daycare	Centers
Odds multipliers (e^b)		
Infant	.572	.627
Schoolage	.469	.354***
Workhours	1.010	1.030***
Cnum	1.070	.812
Spanish	dropped	.355
Other language	5.090***	2.610
Singleadult	.871	2.200
Hsgrad	1.840	.520
Some College	2.290	1.660
College grad	6.500	3.660*
Income	1.000	1.000

Source: Job Readiness Survey (CDSS, 1996)

$p \leq .10^*$ $p \leq .05^{**}$ $p \leq .01^{***}$

Interpreting the odds multiplier

If e^b is less than one, having the characteristic reduces the odds of licensed care use (FDC or Center, depending on the column) relative to exempt care use. If e^b is greater than one, the characteristic increases the odds of licensed care use. A coefficient of exactly one, like we see for income, suggests that there is no relationship between the explanatory variable (income) and the dependent variable (licensed care use). Negative coefficients, from table 2, translate into e^b 's less than one, positive coefficients into e^b 's greater than one.

Appendix 4:

Subsidy Calculations

Table 4. Annual Child Care Subsidy Cost Estimates for FY98-99 by age group and demand estimator.

	% of child welfare pop	expected # of children needing care 98-99	Job Ready Est. (19% use licensed)	GAIN Estimate (52% use licensed)
INFANT	0.16	9907.2	\$ 65,592,005	\$73,604,948
PRESCHOOL	0.32	19814.4	\$ 120,132,329	\$129,692,698
SCHOOL AGE	0.52	32198.4	\$ 100,428,098	\$121,149,217
total	100%	61920	\$ 286,152,432	\$324,446,863

*The difference between estimators is about \$40 million. The shortfall predicted by GAIN is \$43 million.

**I include the 22% who used "no care" in the GAIN estimate as exempt care users for two reasons: First, the 61,920 children in the analysis only include those expected to seek services. In addition, making "formal" arrangements with family members will bring more resources into the family encouraging parents to use this type of care.

Calculations below read:

the % of (infants) expected to seek exempt care * # of (infants) *the exempt care reimbursement+
the % of (infants) expected to seek FDC care *# of (infants) * the FDC care reimbursement +
the % of (infants) expected to seek center care *# of (infants) * the center care reimbursement

Job Readiness Survey Calculations

infant cost = ((75%*9907*\$524)+(9%*9907*\$582))+(13%*9907*\$818)*12months

preschool costs = ((72%*19814*\$487)+(8%*19*542))+(18%*19814*\$618)*12months

school age costs =(((88%*32198*(\$429*0.5)))+(3%*32198*\$380)+(3%*32198*\$359))*9months)
+ full time summer (((88%*32198*\$429)+(3%*32198*\$476)+(3%*32198*\$503))*3mo)

GAIN Calculations

infant costs = ((38%*9907*\$524)+(30%*9907*(\$582))+(30%*9907*(\$818)))*12months

preschool costs = ((38%*19814*\$487.6)+(14%*19814*(\$542))+(46%*19814*(\$618)))*12m

school age costs = (((65%*32198*(\$429*0.5)))+(24%*32198*\$359)+(11%*32198*\$380))*9months)+
+(((65%*32198*429)+(24%*32198*\$503)+(11%*32198*\$477))*3months)

*adjusted gain percentages to reflect prediction that all would seek care

Table 4.2. Recalculation of Subsidies, Assuming number of children needing subsidies falls 10% below estimate.

	%of pop	expected 98-99	Job Ready Est.	GAIN Estimate
INFANT	0.16	9907.2	\$ 58,106,917	\$67,784,270
PRESCHOOL	0.32	19814.4	\$ 107,226,022	\$117,778,379
SCHOOL AGE	0.52	32198.4	\$ 96,284,163	\$108,717,415
total	100	61920	\$ 261,617,102	\$294,280,063

**Funding shortfall of approx. 12 million.*

Table 4.3 Recalculation of Subsidies Using GAIN Demand Estimates, Adjusting providers fees

	%of pop	expected to need 98-99 subsidies	Provider Rates 10% below the maximum reimbursement rate
INFANT	0.16	9907.2	\$66,244,453
PRESCHOOL	0.32	19814.4	\$137,560,600
SCHOOL AGE	0.52	32198.4	\$92,872,952
total			\$296,678,006

**Under this assumptions a \$14 million dollar subsidy shortfall is noted.*

Table 4.4 Annual Child Care Subsidy Cost Estimates for FY98-99 by age group and demand estimator using average market rates.

	% of child welfare pop	expected # of children needing care 98-99	Job Ready Est. (19% use licensed)	GAIN Estimate (52% use licensed)
INFANT	0.16	9907.2	\$ 61,467,835	\$62,584,179
PRESCHOOL	0.32	19814.4	\$ 112,556,888	\$110,884,870
SCHOOL AGE	0.52	32198.4	\$ 97,834,516	\$105,387,778
total	100%	61920	\$ 271,859,240	\$278,856,827

**Funding sufficient.*

Table 4.5 Mean Market Rates for Child Care in Los Angeles County

	Center Care	Standard Deviation	FDC	Standard Deviation
FTunder2	\$646	\$112	\$445	\$89
PTunder2	\$458	\$115	\$205	\$116
FT 2-5	\$457	\$104	\$506	\$23
PT2-5	\$315	\$120	\$303	\$63
FT 6+	\$360	\$94	\$276	\$130
PT6+	\$241	\$76	\$314	\$42

**rates are monthly*

Appendix 4 continued 3/3

Table 4.6 Annual Child Care Subsidy Cost Estimates for FY98-99 by age group and demand estimator using average market rates.

	% of child welfare pop	expected # of children needing care 98-99	Job Ready Est. (19% use licensed)	GAIN Estimate (52% use licensed)
INFANT	0.16	9907.2	\$61,467,835	\$62,584,179
PRESCHOOL	0.32	19814.4	\$112,556,888	\$110,884,870
SCHOOL AGE	0.52	32198.4	\$97,834,516	\$105,387,778
<i>total</i>	100%	61920	\$271,859,240	\$278,856,827

Table 4.7 Median Market Rates for Los Angeles County

	Center Care	Standard Deviation	FDC	Standard Deviation
FTunder2	\$646	\$112	\$445	\$89
PTunder2	\$458	\$115	\$205	\$116
FT 2-5	\$457	\$104	\$506	\$23
PT2-5	\$315	\$120	\$303	\$63
FT 6+	\$360	\$94	\$276	\$130
PT6+	\$241	\$76	\$314	\$42

Table 4.8 Cost of Subsidies assuming median rates and more equal distribution of the 22%

	% of child welfare pop	expected # of children needing care 98-99	Job Ready Est. (19% use licensed)	GAIN Estimate (52% use licensed)
INFANT	0.16	9907.2	\$61,467,835	\$62,584,179
PRESCHOOL	0.32	19814.4	\$112,556,888	\$110,884,870
SCHOOL AGE	0.52	32198.4	\$97,834,516	\$106,141,221
<i>total</i>	100%	61920	\$271,859,240	\$279,610,269

Table 4.9 Cost of Subsidies assuming median rates and that the 22% of school age children using no care in GAIN use Center care.

	% of child welfare pop	expected # of children needing care 98-99	Job Ready Est. (19% use licensed)	GAIN Estimate (52% use licensed)
INFANT	0.16	9907.2	\$ 61,467,835	\$ 62,584,179
PRESCHOOL	0.32	19814.4	\$ 112,556,888	\$ 110,884,870
SCHOOL AGE	0.52	32198.4	\$ 97,834,516	\$ 108,218,983
<i>total</i>	100%	61920	\$ 271,859,240	\$ 281,688,032

Demand for care : Infant 30% FDC, 30% Center Preschool : 15% FDC, 46% Center School age :11% FDC, 24% Center					FY98-99 Child Care Shortage/Surplus by care type- 20% of caseload				Observed shortages when including entire caseload			
Zip code	Total# of FDC slots (.25 vac)	Total# of center slots (.15 vac)	TANF Children 5&under	TANF Children age6-10	FDC Shortage 5&under	Center Shortage 5&under	Total Shortage 5&under	Total Shortage 10&under	FDC Shortage 5&under	Center Shortage 5&under	Total Shortage 5&under	Total Shortage 10&under
90011	386	1138	4827	3802	-86	-273	-359	-537.859	-815	-2050	-2865	-3970
90813	44	836	4539	3643	-164	-292	-456	-625.008	-865	-1963	-2828	-3871
90044	1148	1402	5095	4291	92	-258	-166	-370.409	-687	-2133	-2820	-4070
90201	196	408	4069	3364	-106	-313	-419	-578.712	-725	-1811	-2536	-3516
90805	738	917	3896	3119	33	-221	-188	-330.984	-573	-1655	-2228	-3115
90003	324	854	3312	2570	-47	-177	-224	-340.783	-557	-1395	-1952	-2685
90037	346	576	2892	2355	-23	-180	-203	-314.416	-460	-1244	-1704	-2392
90221	700	790	3053	2237	58	-162	-104	-204.853	-412	-1286	-1698	-2329
90001	158	443	2688	1983	-62	-181	-243	-333.691	-469	-1170	-1639	-2208
90250	962	888	3009	2268	125	-144	-19	-121.556	-339	-1251	-1590	-2233
90002	282	469	2601	2271	-30	-169	-199	-307.313	-431	-1126	-1557	-2218
90255	214	402	2550	1985	-42	-174	-216	-309.976	-426	-1113	-1539	-2117
90262	436	502	2634	1906	8	-167	-159	-244.108	-398	-1136	-1534	-2070
90033	160	724	2566	2175	-57	-127	-184	-289.304	-446	-1072	-1518	-2156
90022	264	695	2524	2038	-31	-128	-159	-253.936	-417	-1057	-1474	-2062
90280	198	497	2440	1992	-44	-150	-194	-287.429	-418	-1048	-1466	-2042
90806	412	608	2513	2054	6	-140	-134	-229.745	-384	-1065	-1449	-2037
90059	306	987	2561	2154	-23	-88	-111	-211.418	-419	-1030	-1449	-2070
91732	62	448	2118	1712	-65	-128	-193	-273.371	-387	-907	-1294	-1791
90063	128	446	2062	1573	-46	-123	-169	-241.702	-360	-882	-1242	-1694
90723	122	406	2004	1649	-48	-123	-171	-247.389	-362	-861	-1223	-1692
91766	266	624	2076	1769	-13	-97	-110	-194.786	-330	-861	-1191	-1708
90804	174	179	1874	1751	-29	-146	-175	-259.961	-317	-835	-1152	-1668
90006	164	704	1998	1567	-34	-78	-112	-186.196	-336	-813	-1149	-1605
90023	114	691	1955	1473	-46	-76	-122	-189.59	-342	-796	-1138	-1561
91402	226	166	1827	1358	-13	-143	-156	-218.076	-293	-816	-1109	-1495
90744	150	539	1830	1429	-32	-88	-120	-186.06	-312	-761	-1073	-1484
90042	308	291	1813	1489	8	-123	-115	-185.666	-266	-790	-1056	-1492
90026	216	786	1886	1615	-17	-56	-73	-151.016	-300	-750	-1050	-1528
90057	66	381	1710	1088	-49	-100	-149	-194.824	-311	-729	-1040	-1339
91706	246	495	1705	1430	-5	-83	-88	-154.238	-269	-710	-979	-1391
93535	826	318	1845	1559	135	-122	13	-60.3469	-151	-801	-952	-1401
90222	244	242	1532	1303	2	-105	-103	-164.433	-232	-668	-900	-1280
90802	80	265	1359	917	-34	-85	-119	-156.996	-250	-585	-835	-1081
91733	98	386	1393	1272	-30	-70	-100	-161.22	-246	-583	-829	-1200
90031	130	716	1480	1215	-24	-29	-53	-110.121	-251	-573	-824	-1176
90640	240	469	1457	1200	4	-64	-60	-116.036	-222	-600	-822	-1166
91605	188	318	1409	1221	-6	-82	-88	-147.48	-218	-600	-818	-1180
91770	410	669	1567	1373	43	-44	-1	-67.4611	-196	-620	-816	-1220

Demand for care : Infant 30% FDC, 30% Center Preschool : 15% FDC, 46% Center School age :11% FDC, 24% Center					FY98-99 Child Care Shortage/Surplus by care type- 20% of caseload				Observed shortages when including entire caseload			
Zip code	Total# of FDC slots (.25 vac)	Total# of center slots (.15 vac)	TANF Children 5&under	TANF Children age6-10	FDC Shortage 5&under	Center Shortage 5&under	Total Shortage 5&under	Total Shortage 10&under	FDC Shortage 5&under	Center Shortage 5&under	Total Shortage 5&under	Total Shortage 10&under
90065	120	279	1266	936	-19	-75	-94	-135.345	-215	-541	-756	-1019
91405	214	410	1335	970	2	-61	-59	-102.389	-202	-553	-755	-1029
90032	274	430	1360	1169	17	-61	-44	-100.141	-191	-561	-752	-1094
90660	360	609	1404	1091	35	-38	-3	-51.8522	-188	-554	-742	-1046
91702	176	503	1321	1003	-6	-46	-52	-98.4477	-207	-532	-739	-1027
90029	114	476	1228	1042	-18	-42	-60	-109.738	-202	-493	-695	-1003
90061	204	677	1290	1102	2	-17	-15	-68.1502	-195	-492	-687	-1009
90304	48	236	1100	863	-30	-66	-96	-135.84	-197	-471	-668	-917
90062	364	378	1207	1061	46	-54	-8	-60.7319	-136	-499	-635	-949
91768	114	545	1009	777	-10	-11	-21	-56.8873	-166	-382	-548	-769
90810	210	404	983	852	15	-30	-15	-55.8689	-137	-392	-529	-776
91731	78	506	961	769	-17	-13	-30	-65.6573	-162	-366	-528	-752
90270	56	159	850	610	-18	-54	-72	-100.071	-145	-367	-512	-688
90017	6	210	760	493	-28	-38	-66	-86.9318	-146	-318	-464	-598
90038	152	331	782	624	8	-22	-14	-43.2942	-110	-310	-420	-602
90260	326	188	768	702	53	-42	11	-24.6604	-61	-325	-386	-597
90716	8	118	607	406	-22	-38	-60	-76.8789	-118	-262	-380	-489
90602	58	81	613	473	-9	-44	-53	-74.9525	-103	-270	-373	-508
90015	6	204	619	450	-22	-26	-48	-68.7121	-114	-254	-368	-498
91755	44	145	296	245	-1	-5	-6	-17.3834	-47	-114	-161	-231
90040	20	117	265	249	-5	-7	-12	-24.2489	-47	-104	-151	-224
90058		123	237	288	-9	-3	-12	-27.6231	-46	-91	-137	-224
91203	102	103	251	291	16	-8	8	-6.9395	-21	-100	-121	-211
93591	68	47	158	171	11	-7	4	-5.3088	-13	-66	-79	-130
90014			30	15	-1	-3	-4	-4.446	-6	-14	-20	-23
93544			29	31	-1	-3	-4	-5.3637	-6	-13	-19	-28
93553			29	29	-1	-3	-4	-5.2345	-6	-13	-19	-28
91207	32		40	36	7	-4	3	1.0384	1	-18	-17	-29
93532	6		15	30	1	-1	0	-2.1765	-1	-7	-8	-18
90067			10	7	0	-1	-1	-1.6112	-2	-5	-7	-8
93243			1	0	0	0	0	-0.1159	0	0	0	-1
93563			1	0	0	0	0	-0.1159	0	0	0	-1
90071		12			0	2	2	1.8	0	2	2	2
90822		25			0	4	4	3.75	0	4	4	4
90402	6	17			2	3	5	4.05	2	3	5	4
90010		58			0	9	9	8.7	0	9	9	9
90704	6	44			2	7	9	8.1	2	7	9	8
91602	30	15			8	2	10	9.75	8	2	10	10
90293	12	56			3	8	11	11.4	3	8	11	11

Demand for care : Infant 30% FDC, 30% Center Preschool : 15% FDC, 46% Center School age :11% FDC, 24% Center					FY98-99 Child Care Shortage/Surplus by care type- 20% of caseload				Observed shortages when including entire caseload			
Zip code	Total# of FDC slots (.25 vac)	Total# of center slots (.15 vac)	TANF Children 5&under	TANF Children age6-10	FDC Shortage 5&under	Center Shortage 5&under	Total Shortage 5&under	Total Shortage 10&under	FDC Shortage 5&under	Center Shortage 5&under	Total Shortage 5&under	Total Shortage 10&under
90506		86			0	13	13	12.9	0	13	13	13
91381	46	24			12	4	16	15.1	12	4	16	15
90068	6	92			2	14	16	15.3	2	14	16	15
93510	60	15			15	2	17	17.25	15	2	17	17
90210	12	103			3	15	18	18.45	3	15	18	18
91741	82				21	0	21	20.5	21	0	21	21
90290	6	136			2	20	22	21.9	2	20	22	22
90069	36	85			9	13	22	21.75	9	13	22	22
90212	6	142			2	21	23	22.8	2	21	23	23
91330	12	138			3	21	24	23.7	3	21	24	24
91354	108				27	0	27	27	27	0	27	27
90292		190			0	29	29	28.5	0	29	29	29
91501	62	109			16	16	32	31.85	16	16	32	32
91108	6	200			2	30	32	31.5	2	30	32	32
90232	134				34	0	34	33.5	34	0	34	34
90254	36	164			9	25	34	33.6	9	25	34	34
90013	32	177			8	27	35	34.55	8	27	35	35
91302	34	184			9	28	37	36.1	9	28	37	36
90211	44	174			11	26	37	37.1	11	26	37	37
90401	18	226			5	34	39	38.4	5	34	39	38
91604	64	163			16	24	40	40.45	16	24	40	40
93543	120	75			30	11	41	41.25	30	11	41	41
91024	30	218			8	33	41	40.2	8	33	41	40
90021		278			0	42	42	41.7	0	42	42	42
91208	68	171			17	26	43	42.65	17	26	43	43
90077	6	270			2	41	43	42	2	41	43	42
90248	114	100			29	15	44	43.5	29	15	44	44
90502	130	96			33	14	47	46.9	33	14	47	47
91384	212				53	0	53	53	53	0	53	53
90265	50	281			13	42	55	54.65	13	42	55	55
90803	82	224			21	34	55	54.1	21	34	55	54
91303	74	246			19	37	56	55.4	19	37	56	55
91436	100	205			25	31	56	55.75	25	31	56	56
91105	22	335			6	50	56	55.75	6	50	56	56
90670	48	302			12	45	57	57.3	12	45	57	57
91040	140	166			35	25	60	59.9	35	25	60	60
91020	26	350			7	53	60	59	7	53	60	59
90814	48	323			12	48	60	60.45	12	48	60	60
91201	100	243			25	36	61	61.45	25	36	61	61

Demand for care : Infant 30% FDC, 30% Center Preschool : 15% FDC, 46% Center School age :11% FDC, 24% Center					FY98-99 Child Care Shortage/Surplus by care type- 20% of caseload				Observed shortages when including entire caseload			
Zip code	Total# of FDC slots (.25 vac)	Total# of center slots (.15 vac)	TANF Children 5&under	TANF Children age6-10	FDC Shortage 5&under	Center Shortage 5&under	Total Shortage 5&under	Total Shortage 10&under	FDC Shortage 5&under	Center Shortage 5&under	Total Shortage 5&under	Total Shortage 10&under
90024	18	373			5	56	61	60.45	5	56	61	60
90056	180	106			45	16	61	60.9	45	16	61	61
90240	134	191			34	29	63	62.15	34	29	63	62
91204	70	305			18	46	64	63.25	18	46	64	63
91502	18	401			5	60	65	64.65	5	60	65	65
91403	78	313			20	47	67	66.45	20	47	67	66
91775	160	177			40	27	67	66.55	40	27	67	67
91504	140	240			35	36	71	71	35	36	71	71
91202	122	265			31	40	71	70.25	31	40	71	70
91803	186	163			47	24	71	70.95	47	24	71	71
91206	90	353			23	53	76	75.45	23	53	76	75
91423	44	431			11	65	76	75.65	11	65	76	76
91411	138	288			35	43	78	77.7	35	43	78	78
91723	70	398			18	60	78	77.2	18	60	78	77
90048	142	278			36	42	78	77.2	36	42	78	77
91792	242	120			61	18	79	78.5	61	18	79	79
91030	103	360			26	54	80	79.75	26	54	80	80
91007	76	419			19	63	82	81.85	19	63	82	82
90715	196	244			49	37	86	85.6	49	37	86	86
90291	148	339			37	51	88	87.85	37	51	88	88
91042	168	317			42	48	90	89.55	42	48	90	90
90028	72	479			18	72	90	89.85	18	72	90	90
91364	190	285			48	43	91	90.25	48	43	91	90
90012	102	439			26	66	92	91.35	26	66	92	91
90603	130	390			33	59	92	91	33	59	92	91
90245	194	290			49	44	93	92	49	44	93	92
91101	56	534			14	80	94	94.1	14	80	94	94
91345	122	455			31	68	99	98.75	31	68	99	99
90403	72	539			18	81	99	98.85	18	81	99	99
91506	166	389			42	58	100	99.85	42	58	100	100
90601	142	448			36	67	103	102.7	36	67	103	103
91750	298	196			75	29	104	103.9	75	29	104	104
91776	170	416			43	62	105	104.9	43	62	105	105
90025	196	380			49	57	106	106	49	57	106	106
91106	122	507			31	76	107	106.55	31	76	107	107
90036	174	417			44	63	107	106.05	44	63	107	106
90807	216	357			54	54	108	107.55	54	54	108	108
90501	332	172			83	26	109	108.8	83	26	109	109
91746	138	499			35	75	110	109.35	35	75	110	109

Demand for care : Infant 30% FDC, 30% Center Preschool : 15% FDC, 46% Center School age :11% FDC, 24% Center					FY98-99 Child Care Shortage/Surplus by care type- 20% of caseload				Observed shortages when including entire caseload			
Zip code	Total# of FDC slots (.25 vac)	Total# of center slots (.15 vac)	TANF Children 5&under	TANF Children age6-10	FDC Shortage 5&under	Center Shortage 5&under	Total Shortage 5&under	Total Shortage 10&under	FDC Shortage 5&under	Center Shortage 5&under	Total Shortage 5&under	Total Shortage 10&under
90039	224	382			56	57	113	113.3	56	57	113	113
91724	204	415			51	62	113	113.25	51	62	113	113
90242	296	258			74	39	113	112.7	74	39	113	113
91340	82	622			21	93	114	113.8	21	93	114	114
91352	216	406			54	61	115	114.9	54	61	115	115
91791	156	510			39	77	116	115.5	39	77	116	116
91316	282	306			71	46	117	116.4	71	46	117	116
90305	346	210			87	32	119	118	87	32	119	118
91326	198	478			50	72	122	121.2	50	72	122	121
90272	64	706			16	106	122	121.9	16	106	122	122
90020	142	574			36	86	122	121.6	36	86	122	122
93552	486	15			122	2	124	123.75	122	2	124	124
90277	158	557			40	84	124	123.05	40	84	124	123
91780	318	299			80	45	125	124.35	80	45	125	124
91607	132	621			33	93	126	126.15	33	93	126	126
90027	96	691			24	104	128	127.65	24	104	128	128
91016	282	387			71	58	129	128.55	71	58	129	129
90638	304	366			76	55	131	130.9	76	55	131	131
90732	178	581			45	87	132	131.65	45	87	132	132
91010	208	549			52	82	134	134.35	52	82	134	134
90606	256	465			64	70	134	133.75	64	70	134	134
91011	116	705			29	106	135	134.75	29	106	135	135
90710	304	392			76	59	135	134.8	76	59	135	135
91601	162	634			41	95	136	135.6	41	95	136	136
90302	236	514			59	77	136	136.1	59	77	136	136
90605	234	513			59	77	136	135.45	59	77	136	135
91006	208	573			52	86	138	137.95	52	86	138	138
90035	302	410			76	62	138	137	76	62	138	137
90041	256	499			64	75	139	138.85	64	75	139	139
90241	210	620			53	93	146	145.5	53	93	146	146
91722	224	613			56	92	148	147.95	56	92	148	148
90745	294	502			74	75	149	148.8	74	75	149	149
91205	172	734			43	110	153	153.1	43	110	153	153
90046	246	609			62	91	153	152.85	62	91	153	153
90717	162	749			41	112	153	152.85	41	112	153	153
90049	72	911			18	137	155	154.65	18	137	155	155
90005	186	717			47	108	155	154.05	47	108	155	154
91324	340	480			85	72	157	157	85	72	157	157
91214	228	689			57	103	160	160.35	57	103	160	160

Demand for care : Infant 30% FDC, 30% Center Preschool : 15% FDC, 46% Center School age :11% FDC, 24% Center					FY98-99 Child Care Shortage/Surplus by care type- 20% of caseload				Observed shortages when including entire caseload			
Zip code	Total# of FDC slots (.25 vac)	Total# of center slots (.15 vac)	TANF Children 5&under	TANF Children age6-10	FDC Shortage 5&under	Center Shortage 5&under	Total Shortage 5&under	Total Shortage 10&under	FDC Shortage 5&under	Center Shortage 5&under	Total Shortage 5&under	Total Shortage 10&under
90007	104	899			26	135	161	160.85	26	135	161	161
90008	362	479			91	72	163	162.35	91	72	163	162
90064	348	520			87	78	165	165	87	78	165	165
90303	435	400			109	60	169	168.75	109	60	169	169
91401	176	848			44	127	171	171.2	44	127	171	171
90404	128	940			32	141	173	173	32	141	173	173
91765	466	905	122	219	112	125	237	231.84	93	80	173	145
91304	324	628			81	94	175	175.2	81	94	175	175
91754	224	795			56	119	175	175.25	56	119	175	175
90301	224	794			56	119	175	175.1	56	119	175	175
91773	254	744			64	112	176	175.1	64	112	176	175
90405	248	769			62	115	177	177.35	62	115	177	177
90731	326	647			82	97	179	178.55	82	97	179	179
91505	285	727			71	109	180	180.3	71	109	180	180
90045	304	707			76	106	182	182.05	76	106	182	182
91711	196	891			49	134	183	182.65	49	134	183	183
91342	458	468			115	70	185	184.7	115	70	185	185
91321	242	847			61	127	188	187.55	61	127	188	188
90604	384	610			96	92	188	187.5	96	92	188	188
90713	564	321			141	48	189	189.15	141	48	189	189
93551	666	152			167	23	190	189.3	167	23	190	189
91748	318	731			80	110	190	189.15	80	110	190	189
90249	532	399			133	60	193	192.85	133	60	193	193
90712	528	429			132	64	196	196.35	132	64	196	196
91103	350	734			88	110	198	197.6	88	110	198	198
91325	210	992			53	149	202	201.3	53	149	202	201
91406	398	696			100	104	204	203.9	100	104	204	204
91744	262	917			66	138	204	203.05	66	138	204	203
91306	500	535			125	80	205	205.25	125	80	205	205
90274	38	1300			10	195	205	204.5	10	195	205	205
91104	478	597			120	90	210	209.05	120	90	210	209
90706	428	699			107	105	212	211.85	107	105	212	212
91356	264	988			66	148	214	214.2	66	148	214	214
90278	452	685			113	103	216	215.75	113	103	216	216
90808	332	884			83	133	216	215.6	83	133	216	216
93534	340	885			85	133	218	217.75	85	133	218	218
93536	504	617			126	93	219	218.55	126	93	219	219
90701	350	877			88	132	220	219.05	88	132	220	219
90503	486	657			122	99	221	220.05	122	99	221	220

Demand for care : Infant 30% FDC, 30% Center Preschool : 15% FDC, 46% Center School age :11% FDC, 24% Center					FY98-99 Child Care Shortage/Surplus by care type- 20% of caseload				Observed shortages when including entire caseload			
Zip code	Total# of FDC slots (.25 vac)	Total# of center slots (.15 vac)	TANF Children 5&under	TANF Children age6-10	FDC Shortage 5&under	Center Shortage 5&under	Total Shortage 5&under	Total Shortage 10&under	FDC Shortage 5&under	Center Shortage 5&under	Total Shortage 5&under	Total Shortage 10&under
91606	410	794			103	119	222	221.6	103	119	222	222
91740	300	981			75	147	222	222.15	75	147	222	222
91790	258	1061			65	159	224	223.65	65	159	224	224
90247	526	614			132	92	224	223.6	132	92	224	224
90505	464	718			116	108	224	223.7	116	108	224	224
90230	372	884			93	133	226	225.6	93	133	226	226
91301	326	965			82	145	227	226.25	82	145	227	226
91355	344	958			86	144	230	229.7	86	144	230	230
90266	198	1211			50	182	232	231.15	50	182	232	231
90034	352	967			88	145	233	233.05	88	145	233	233
90504	508	729			127	109	236	236.35	127	109	236	236
90066	528	712			132	107	239	238.8	132	107	239	239
91343	444	859			111	129	240	239.85	111	129	240	240
91107	282	1149			71	172	243	242.85	71	172	243	243
91311	254	1226			64	184	248	247.4	64	184	248	247
91767	360	1086			90	163	253	252.9	90	163	253	253
91350	572	750			143	113	256	255.5	143	113	256	256
90018	494	920			124	138	262	261.5	124	138	262	262
90004	537	958			134	144	278	277.95	134	144	278	278
91001	572	914			143	137	280	280.1	143	137	280	280
91789	342	1296			86	194	280	279.9	86	194	280	280
91331	536	992			134	149	283	282.8	134	149	283	283
90016	618	863			155	129	284	283.95	155	129	284	284
90746	994	355			249	53	302	301.75	249	53	302	302
91745	388	1378			97	207	304	303.7	97	207	304	304
91801	311	1535			78	230	308	308	78	230	308	308
91344	716	910			179	137	316	315.5	179	137	316	316
91351	612	1115			153	167	320	320.25	153	167	320	320
90019	738	1079			185	162	347	346.35	185	162	347	346
90815	750	1073			188	161	349	348.45	188	161	349	348
90650	728	1242			182	186	368	368.3	182	186	368	368
91335	830	1245			208	187	395	394.25	208	187	395	394
91367	446	1950			112	293	405	404	112	293	405	404
90043	972	1221			243	183	426	426.15	243	183	426	426
90220	834	1971			209	296	505	504.15	209	296	505	504
93550	1366	1265			342	190	532	531.25	342	190	532	531
90047	1474	1299			369	195	564	563.35	369	195	564	563

<i>Demand for care : Infant 30% FDC, 30% Center Preschool : 15% FDC, 46% Center School age :11% FDC, 24% Center</i>					FY98-99 Child Care Shortage/Surplus by care type- 20% of caseload				Observed shortages when including entire caseload			
<i>Zip code</i>	<i>Total# of FDC slots (.25 vac)</i>	<i>Total# of center slots (.15 vac)</i>	<i>TANF Children 5&under</i>	<i>TANF Children age6-10</i>	<i>FDC Shortage 5&under</i>	<i>Center Shortage 5&under</i>	<i>Total Shortage 5&under</i>	<i>Total Shortage 10&under</i>	<i>FDC Shortage 5&under</i>	<i>Center Shortage 5&under</i>	<i>Total Shortage 5&under</i>	<i>Total Shortage 10&under</i>

Note: Because this was a geographical analysis, I omitted children with p.o. boxes addresses. This deflates the shortage ratios. The total number of TANF children on the IBPS file was 364,043 compared to the total number in the geographical analysis (208,668).

Appendix 6: Child Care Check List

FOUR STEPS TO SELECTING A CHILD CARE PROVIDER

1. Interview Caregivers:

Call First

Ask...

- Is there an opening for my child?
- What hours and days are you open and where are you located?
- How much does care cost? Is financial assistance available?
- What age groups do you serve?
- Do you provide transportation?
- Do you provide meals (breakfast, lunch, dinner, snacks)?
- Do you have a license, accreditation, or other certification?
- When can I come to visit?

Visit Next (Visit more than once, stay as long as you can!)

Look for...

- Responsive, nurturing, warm interactions between caregiver and children.
- Children who are happily involved in daily activities and comfortable with their caregiver.
- A clean, safe and healthy indoor and outdoor environment; especially napping, eating and toileting areas.
- A variety of toys and learning materials, such as books, puzzles, blocks and climbing equipment that your child will find interesting and which will contribute to their growth and development.
- Children getting individual attention.

Ask...

- Can I visit any time?
- How do you handle discipline?
- What do you do if a child is sick?
- What would you do in case of emergency?
- What training have you (and other staff/substitutes) had?
- Are all children required to be immunized?
- May I see a copy of your license or other certification?
- Do you have a substitute or back-up caregiver?
- May I have a list of parents (current or former) who have used your care?
- Where do children nap? Do you know that babies should go to sleep on their backs?

Appendix 6 (cont.)

2. Check References

Ask other parents...

- Was the caregiver reliable on a daily basis?
- How did the caregiver discipline your child?
- Did your child enjoy the child care experience?
- How did the caregiver respond to you as a parent?
- Was the caregiver respectful of your values and culture?
- Would you recommend the caregiver without reservation?
- If your child is no longer with the caregiver, why did you leave?

Ask the local resource and referral program...

- What regulations should child care providers meet in my area?
- Is there a record of complaints about the child care provider and how would I find out about it?

3. Make the Decision for Quality Care

- Which care giver can meet the special needs of my child?
- Where will my child be happy and grow?
- Are the caregiver's values compatible with mine?
- Is the child care affordable considering my family's needs and resources?
- Do I feel good about my decision?

4. Stay Involved

How can I arrange my schedule so that I can

- Talk to my caregiver every day?
- Talk to my child every day about how the day went?
- Be involved in my child's activities?

- How can I work with my caregiver to resolve issues and concerns that may arise?
- How do I keep informed about my child's growth and development while in care?
- How can I promote good working conditions for my child care provider?
- How can I network with other parents?

*From the Administration for Children and Families, U.S. Department of Health and Human Services

Appendix 7: Total licensed center capacity by zip code area

Extending center hours will impact high shortage areas.

