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## CCDBG Implementation: California

Christine Johnson-Staub & Shiva Sethi | January 2019

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*When the Child Care and Development Block Grant (CCDBG) was reauthorized in 2014, states faced unique paths to comply with the new law. CLASP interviewed stakeholders in three states—Alabama, California, and Louisiana—to understand successes and challenges on their road to CCDBG implementation. In each of these profiles, we summarize key takeaways, lessons learned, and opportunities that lie ahead for the selected state.*

### Context: A Complex System and Diverse Advocacy Community

When the Child Care and Development Block Grant (CCDBG) Reauthorization passed in 2014, child care policy varied significantly across states. In California, implementation rested on a solid infrastructure. The state's advocacy network is highly developed and the legislature directs large investments to child care and early education. California invests nearly four times as much as the federal government does in the state's child care system, with federal funds representing only about 23 percent of the costs for child care and early education.<sup>1</sup>

At the start of CCDBG reauthorization implementation, California, like other states, was still recovering from the Great Recession. California lost more than 100,000 child care slots during the economic downturn, and as of late 2017, those slots had still not been fully recovered. In that context, some advocates encountered difficulties convincing legislators to invest in the new law's quality improvements instead of using funds to restore pre-recession levels of access. Many policymakers did not prioritize compliance with the federal regulations because federal funds make up a relatively small share of the state's child care subsidy system. Additionally, then-Governor Jerry Brown had pushed to limit state government spending throughout his tenure and provided limited support for investments in child care and early education. Taking state eligibility policies into consideration, in 2016 only about 7 percent of eligible children in California received assistance, with only 6 percent of Hispanic children participating, compared to 9 percent of white non-Hispanic children.<sup>2</sup>

Like most states, when reauthorization passed in 2014, California fell short of many key provisions of the law. California did not have a two-tiered income eligibility system or 12-month eligibility for families receiving child care assistance. The state also did not comply with the federal law's comprehensive background checks for providers in licensed child care centers or licensed small family child care homes, or for license-exempt family providers. Before CCDBG reauthorization, California inspected licensed facilities once every five years and did not inspect license-exempt facilities at all.<sup>3</sup>

Implementing the changes necessitated by the reauthorization required significant legislative action, and early estimates by the state indicated that some provisions—like those concerning annual inspections and 12-month eligibility—would have significant costs.

## Reactions to Reauthorization

Despite the legislative hurdles in California, many advocates were optimistic and excited about the reauthorization's opportunities. The state's child care and early education advocacy community is diverse and includes strong and effective voices from multiple perspectives, including parents, providers, resource and referral agencies, county agencies, and others. Some of the leading state-wide voices in child care and early education advocacy had been pushing for the policy changes specified in reauthorization for years.

Some advocates worried that California would request waivers to avoid implementing the reauthorization as the state had done previously on other federal mandates. California did request multiple waivers including one that extended the deadline to enact 12-month eligibility before ultimately passing it. State administrators leading the reauthorization efforts were concerned about the costs of implementing the required changes without additional federal dollars. As in other states, both advocates and the implementing agencies struggled to determine accurate cost estimates of the different stages of implementation.

## Implementation Process

### Unifying the Advocacy Message and Strategy

California implemented the reauthorization by building on a skilled and established advocacy network to deepen relationships with state agencies, engage legislators as champions, and coordinate and unify messaging and strategy.

Although the state had many provisions to implement, advocates focused on establishing 12-month eligibility because of the provision's projected large cost and its great potential to benefit children, families, and providers. Advocates recognized that coordination across California's network of children's advocacy organizations was a crucial step toward implementing 12-month continuous eligibility. One of the first steps they took was establishing a CCDBG working group in December 2015 of more than 20 organizations, including the Child Care Law Center, Parent Voices, the Northern Directors Group, and others. The Child Care Law Center hired a communications expert who worked with the group to produce a unified message about the highest priorities of CCDBG implementation. They created fact sheets for legislators that featured those priorities, which included increasing provider rates, decreasing the costs of provider trainings, improving eligibility requirements, and implementing health and safety requirements.<sup>4</sup> The group also tied child care advocacy efforts to the minimum wage increase effort that had been gaining momentum across the state. Advocates convinced policymakers that an increase in the minimum wage without an increase in eligibility for child care subsidies would harm families and providers. These strategic framing decisions helped make child care a legislative priority.

Despite differences of opinion, the advocacy groups generally found common ground. Shortly after creating the fact sheets, advocates used them as a base for a legislative hearing on CCDBG sponsored by State Senator Holly Mitchell that was well attended by legislative staff and aides. The unification of their ideas and priorities into a single event for legislators helped sharpen the message without drowning out dissenting voices. Advocates also conducted—and continue to conduct—public information hearings to educate consumers about the policy changes during the implementation process.

### **Building on a Strong Foundation**

Importantly, advocates in California began working toward 12-month eligibility years before CCDBG reauthorization. With each legislative session advocates deepened their relationships and moved closer to enacting legislation.

The CCDBG working group also included state employees at the county level, allowing the group to learn and sharpen its message based on lessons from local policy implementation. In addition to the advocacy network, strong relationships among policymakers, across agencies and between policymakers and advocates helped ensure the success of CCDBG implementation. For example, the advocates engaged groups of state legislators such as the Legislative Women's Caucus as crucial supporters of implementation.

### **Remaining nimble**

Throughout the implementation process, advocates tailored their arguments in favor of CCDBG's reforms to fit the state context. They found that their arguments were more effective when framed around helping families and working people rather than compliance with the federal law. One stakeholder said, "One interesting thing about California is that when the Feds say to do something it doesn't push legislation forward the way it might in other places. If we don't have the resources to comply we can't."<sup>5</sup> State legislators were not convinced that the federal government would truly withhold funds from CCDBG if California was not in compliance.

One of our interviewees noted that some staffers in the California legislature were turned off by the very mention of CCDBG. Therefore, she chose to frame her arguments in terms of the specific provisions within reauthorization such as continuous eligibility and background checks and the positive effects they would have on low-income families across the state. Many of our interviewees agreed that enacting 12-month continuous eligibility was California's biggest success to date of the implementation. Advocates had to first make the case to state agencies and legislators that existing law did not already mandate 12-month eligibility and that change was needed. Previous regulations did not grant continuous eligibility for children of parents with variable or non-traditional work schedules. Parents were required to report any changes in address, work, or providers within five days or risk losing their subsidies. Furthermore, parents without consistent, year-round work were required to recertify their eligibility every four months. Because many parents who work for low wages are not employed in 9 to 5 schedules, these regulations fell significantly short of need. Secondly, advocates had to show legislators the necessity of implementing true 12-month eligibility and that it would not be overly costly.

Unfortunately, the 12-month continuous eligibility legislation (AB 2150) initially failed in 2016 due, in part, to problematic cost estimates. The California Department of Education and Department of Finance came up with wildly different cost estimates—the former predicted the change in eligibility would cost under \$6 million annually, while the latter predicted it would cost nearly \$30 million. Advocates used lessons from AB 2150's failure to design their legislative and budgetary strategy for AB 60, the 12-month eligibility bill introduced during the 2017 session.

While AB 2150 was under consideration, parents testified and educated legislators about the benefits of continuous eligibility. Hearings and testimonies helped establish a bipartisan base of support from state legislators, 30 of whom signed onto a letter of support. Since cost concerns had doomed the bill, legislators moved the fight to the state budgetary process where they got a reliable cost estimate. The combination of a reliable cost estimate and a broad base of support led to AB 60's inclusion in the budget, where it ultimately became law.

## Keys to Success

California's implementation journey included collaborative strategy and participation from a wide array of stakeholders. The success of advocates in moving implementation forward is attributable to several key factors:

- Drawing from a strong and expert advocacy community, including a variety of perspectives, collaborated with county administrators, and fully engaged legislators as key champions;
- Lifting up the voices of parents and providers, not only as storytellers, but also as partners throughout the policymaking process;
- Investing in capacity to coordinate and unify the advocacy community's message and strategy;
- Remaining persistent, flexible, and responsive as challenges emerged—while facing setbacks, stakeholders quickly pivoted to make progress as conditions allowed while keeping track of the bigger picture; and
- Drawing on allies strategically—state voices and leadership have made California child care advocates effective, but they do not hesitate to draw on additional support and expertise from national organizations like CLASP and the National Women's Law Center when necessary to work through policy options, develop strategy, or demonstrate broad-based support.

## Next Steps

California has made significant progress in fully implementing the CCDBG reauthorization, but some provisions of the law have not been met. The state continues to struggle to conduct inspections of both licensed and non-licensed providers. Recently, the state used federal dollars allocated for quality improvement on annual inspections, but these funds are still insufficient. Currently, the state inspects licensed facilities once every three years, which still falls well short of the mandated annual inspections. Additionally, some state employees we spoke to believe California's background check process is insufficient to meet the reauthorization requirements. Finally, California needs to fully implement the law's consumer education provisions—state employees noted that it should be easier for families to get referrals and that the state needs a comprehensive child care database. They are in the process of identifying funds to support this effort.

## Endnotes

<sup>1</sup> Legislative Analyst's Office, *Child Care and Preschool Budget*, California State Legislature, 2019, <https://lao.ca.gov/Education/EdBudget/Details/216>.

<sup>2</sup> CLASP analysis of 2016 ACS 1-year data, 2012-2016 ACS 5-year data, and Administration for Children and Families Office of Child Care 2016 Administrative Data.

<sup>3</sup> Child Care Law Center, *Opportunities for Making California's Child Care System Better Through Child Care Development Block Grant Implementation*, 2016, <http://childcarelaw.org/wp-content/uploads/2015/11/Executive-Overview-Opportunities-for-Making-Californias-Child-Care-System-Better-Through-CCDBG-in-2016-Revised-1.13.16.pdf>

<sup>4</sup> Child Care Law Center, *Opportunities for Making California's Child Care System*.

<sup>5</sup> Interview, 11/1/2017