



Child Care Utilization in the CalWORKs Program

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Child care is a critical work support for parents and since its inception, the CalWORKs program has offered this support to families in welfare-to-work beginning when they enter the program and potentially continuing for several years after they exit cash aid. CalWORKs child care is administered in three “stages,” the first of which is administered by county human service departments, with oversight by the state Department of Social Services, and the second and third being administered by the California Department of Education. Detailed information on CalWORKs and other state subsidized child care programs can be found in the California Center for Research on Women and Families’ primer: <http://ccrwf.org/publications/child-care-primer/>.¹

There has been much concern about a child care utilization rate in the CalWORKs program that appears to be unacceptably low. Most recently (in April 2016), the Senate Budget and Fiscal Review Subcommittees #1 and #3 were presented with a chart showing utilization at 23 percent statewide. This rate is the one that CDSS uses for budgeting.

For a variety of reasons, the rate used for CDSS budgeting is less a measure of access than it is a tool for fiscal forecasting purposes. It is a simple ratio comparing the data on the CW 115 and CW 115A to welfare-to-work participation as reported on another set of monthly reports, the WTW 25 and WTW 25A. This calculation does not adjust for:

- Whether the family has an age-eligible child (0-12.9 years), or
- Whether the family has a need for care.

Additionally, the calculation does not include any estimate of children who are in receipt of another type of subsidized care.

Adjusted Utilization

In order to calculate a more robust utilization rate using existing data, two additional factors must be taken into consideration. The first is age-eligibility, and the second is the number of CalWORKs-aided children in all of the other CDE-administered child care

¹ Note that this document was published in 1999 and some of the details are no longer current (reference to paper transfers, eligibility lists, and SMI.) However, it remains a useful description of the design and operation of CalWORKs child care programs.

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programs.

The baseline data indicates growth in the utilization rate between 2014-15 and the first two quarters of 2015-16, and when the two adjustments are made for age-eligibility and other CDE-program enrollment, the utilization rate jumps to 45 percent.

| Fiscal Year | Stage 1 and 2 Utilization Rate used for Budgeting ² | Stage 1 and 2 Utilization Rate Adjusted for Age-Eligibility ³ | Utilization Rate including Stage 1, Stage 2, and All Other CDE Subsidized Programs ^{4*} |
|--|--|--|--|
| FY 2015-16, quarters 1 and 2 | 26% | 34% | 45% |
| FY 2014-15, as calculated by CDSS and presented to the Legislature | 23% | 30% | <i>Not Calculated</i> |

*Programs include: California State Preschool, General Child Care, Alternative Payment, Family Child Care Homes, Severely Handicapped, General Migrant Care, and Migrant Alternative Payment.

However, there remains the question: what are the other 55 percent of families doing to meet their child care needs?

CWDA Child Care Use Survey

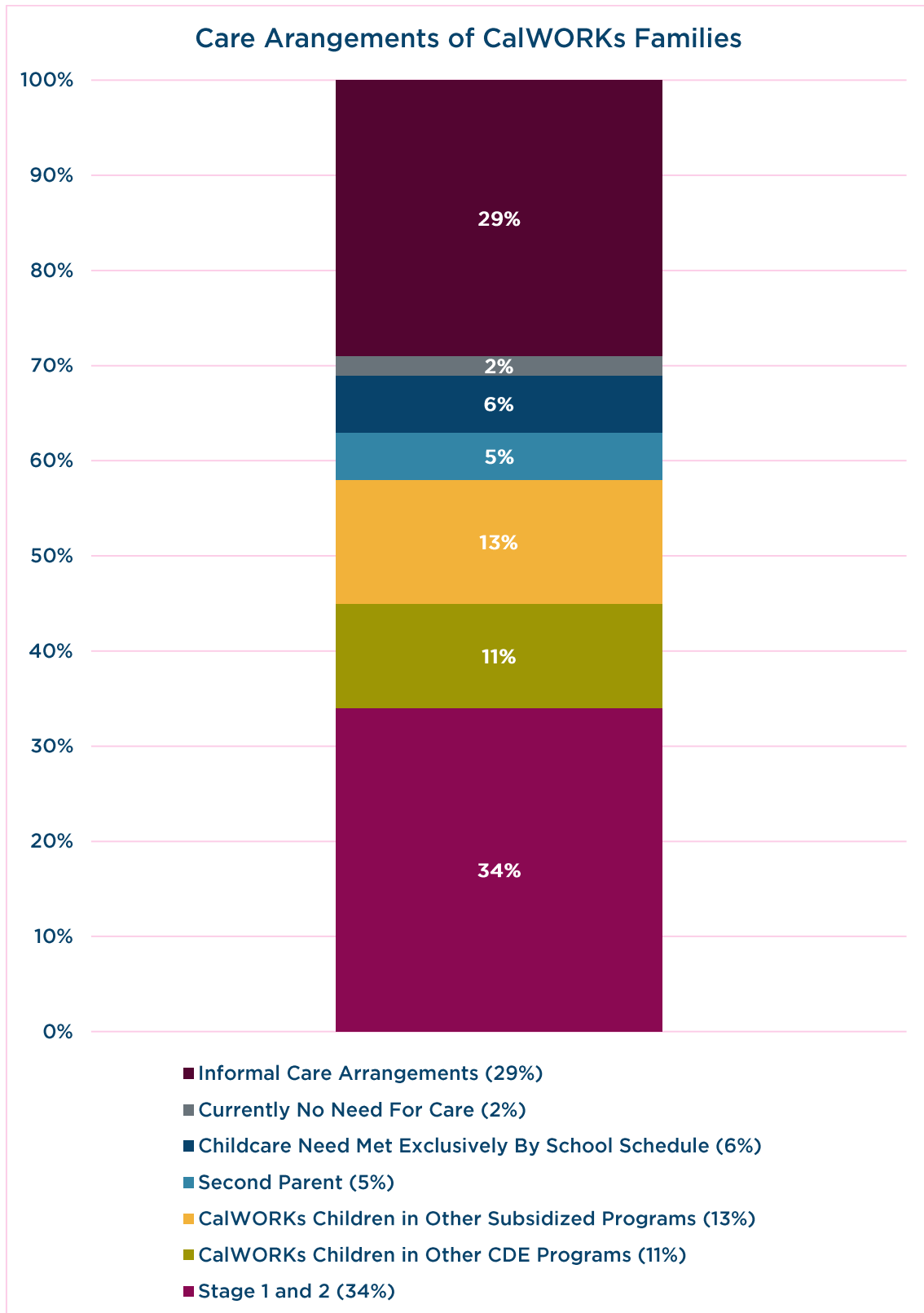
To answer this question, CWDA developed a survey to gather information from more than 400 parents in the CalWORKs program who are welfare-to-work registered but who are not currently accessing CalWORKs child care. Parents were contacted by telephone and asked about their need for child care and any current arrangements, awareness of CalWORKs child care, and reasons for non-utilization. Parents were also offered referrals for care.

When combined with the age-adjusted utilization calculation, results of the survey indicate that 71 percent of CalWORKs families have children whose need for care is being met through some kind of subsidized program (whether CalWORKs, CDE, or some other subsidy such as Head Start or a Before/After School program), by the child’s second parent, or there is no need for care due to the parent being between WTW activities (or having not yet started their first activity) or because the child is in school during the parents’ WTW activities. The remaining 29 percent have children in informal care

² Stage 1 and Stage 2 families, divided by the number of adults participating in welfare-to-work. Data source: CW 115/115A, CDE 801A, WTW 25/25A.
³ Stage 1 and Stage 2 families, divided by the number of adults participating in welfare-to-work with an age-eligible child (August 2014 MEDS data indicate 74% of families have an age-eligible child.) Data source: CW 115/115A, CDE 801A, WTW 25/25A.
⁴ Stage 1 and Stage 2 families, and all CDE-enrolled children of parents in receipt of TANF divided by the number of adults participating in welfare-to-work with an age eligible child. Note that it is possible for a child to be double counted by appearing in both the Stage 1 report and in a CDE program; we do not have a way to track this dual enrollment.

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arrangements with friends or family members.

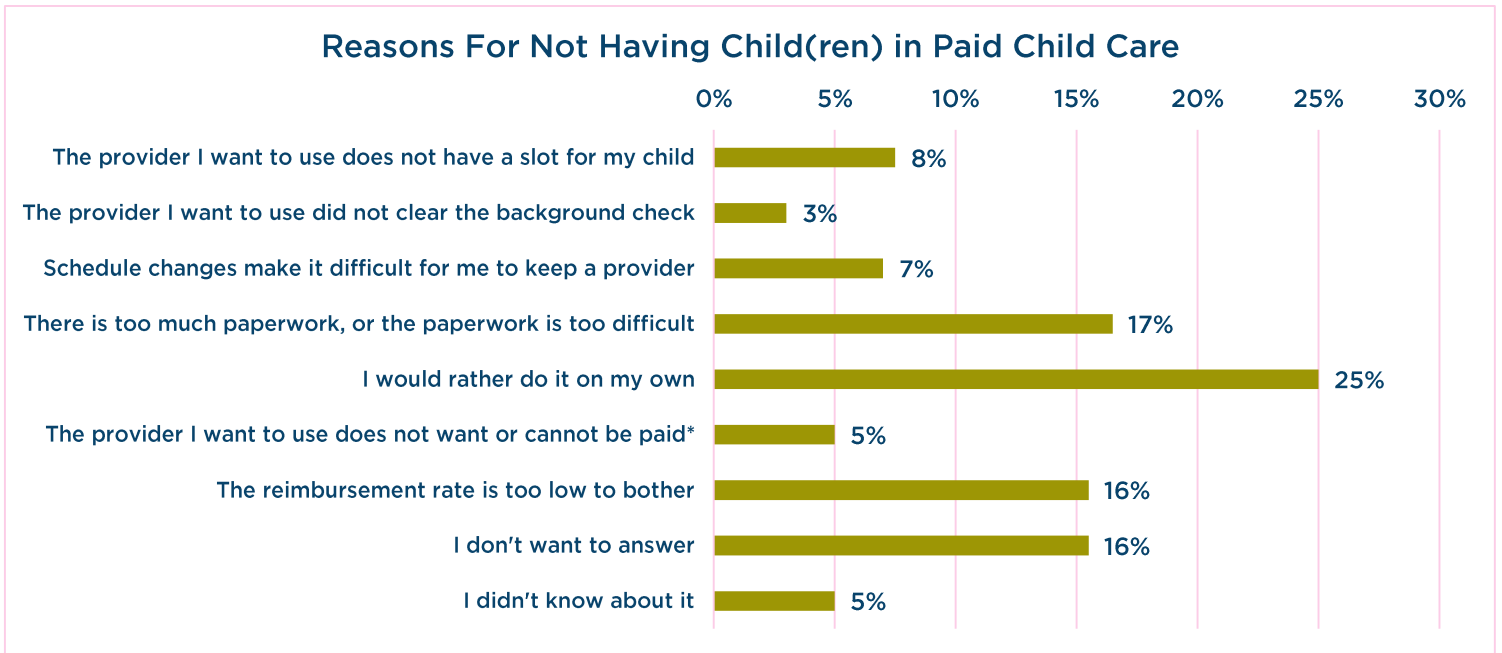


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We asked parents their reasons for not using subsidized child care.

A quarter of respondents stated that they simply did not want the subsidy and some indicated that their informal provider did not want to be or were ineligible to be paid. A percentage of parents stated that it was not worth the effort due to the low reimbursement rates or the required paperwork. A few told us that they didn't know they had the option for paid care.

Limited access to quality providers and the challenges associated with irregular work or activity schedules were reported as contributing factors in some parents' non-use of subsidized care. Informal arrangements may currently meet the immediate needs of many parents, though due to the limitations of our survey, we cannot conclude that these parents would not utilize more formal arrangements if they could do so.



*The primary reason cited for "cannot be paid" is due to the chosen provider having disability or other benefits that would be negatively impacted by payment.

Discussion

Our survey, coupled with existing data, shows that CalWORKs families are meeting their child care needs through a variety of means, the majority of which is subsidized through CalWORKs, CDE, or another entity. Some families who have chosen informal care arrangements have specific reasons for keeping those arrangements as-is. Other families told us about barriers they face that make taking advantage of a subsidy less appealing.

Our results suggest several areas for work and advocacy: streamlining and reducing paperwork, increasing reimbursement rates, providing continuity of care for families with variable schedules, and improving access to quality providers for CalWORKs recipient

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families. For those who have children in informal care because of systemic issues such as lack of access to quality providers or the difficulty of keeping a formal provider due to irregular work schedules, additional engagement efforts may encourage parents to utilize the license-exempt reimbursements available through the CalWORKs program. And, while only a small percentage of parents reported being unaware of the availability of care, counties can examine their business processes and informing strategies to assess for areas that may be enhanced.

All parents have the right to choose the care that best suits the needs of their children and families. While not a representative sample, the over 400 parents who participated in our survey provide us with insights into those care choices and decision-making about child care for families on CalWORKs.

This issue brief was created by CWDA Staff. Direct questions to the contact at right.

For more information, visit: cwda.org

County Welfare Directors Association of California

Erin Horgan, Senior Policy Analyst

email: ehorgan@cwda.org