



**PPIC**

PUBLIC POLICY  
INSTITUTE OF CALIFORNIA

**25 YEARS**

# The Impact of Expanding Public Preschool on Child Poverty in California

## Technical Appendices

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# Appendix A. Publicly Provided Child Care Programs Included in the Report Scenarios

Table A1 summarizes basic features of California’s largest publicly provided child care and preschool programs as of 2018-19.<sup>1</sup>

**TABLE A1**

California’s largest early care and education programs vary in a number of ways

	Ages served	Income eligibility threshold for a family of 3	Max. monthly fee for a family of 3	Parents required to work	Program format	Funded slots
Alternative Payment Program	0-12	\$54,000	\$440	yes	Voucher	185,000
General Child Care	0-12	\$54,000	\$440	yes	Direct enrollment	28,000
Head Start	0-4	\$21,000	\$0	no	Direct enrollment	124,000
CSPP	3-4	\$54,000	\$440	Full-day program only	Direct enrollment	170,000
Transitional Kindergarten	4-5	Not means-tested	\$0	no	Public school	90,000

SOURCES: Legislative Analyst (2019a), Stipek and Pizzo (2018).

NOTES: This table reflects 2018-19 program rules and funded slots, with the exception of Head Start, for which we show total enrollment in 2016-17. Initial income eligibility thresholds for APP, General Child Care, and State Preschool are 70% of State Median Income, and for Head Start, 100% of the Federal Poverty Guidelines. In July 2019, initial income eligibility thresholds will increase to 85% of SMI for all means-tested programs other than Head Start.

## Public options for preschool-aged children

Administered by the California Department of Education, CSPP is the state’s largest program for preschool-aged children. Children from low-income families can attend either part-day (minimum 3 hours a day, 175 days a year) or full-day classes (minimum 6.5 hours a day, 246 days a year), at child care centers and schools run by Local Education Agencies (LEAs)—typically school districts—or community-based organizations. All income-eligible families can enroll children for free in part-day programs with available slots. Full-day preschool is only available to families who can demonstrate a need for child care based on work, education or training, child welfare, or personal health for more hours each day than provided by part-day CSPP.<sup>2</sup>

Full-day CSPP is designed to provide care beyond a regular preschool day that adds up to the number of hours of care that parents need in order to work. Its income-based fee schedule results in about half of participating families owing monthly fees; we estimate that those with fees in 2016 incurred an average of \$3,214 per year. In total, the state funded 103,000 part-day and 67,000 full-day CSPP slots in FY 2018-19.

For most of California’s subsidized child care and development programs, including CSPP, “low income” refers to families earning less than 70% of the State Median Income (SMI) when they apply for the program, and up to 85% of SMI while their children are enrolled. This definition has undergone significant changes over the past several years. From 2007 to 2017, 70% of SMI referred to SMI as of 2007; the 2017-18 state budget tied programs to the most recent SMI calculated by the Department of Finance. Per AB 2626 (2017)—which lifted the

<sup>1</sup> For additional, more comprehensive detail, including information on program standards, see Melnick, et al. (2017) and Stipek & Pizzo (2018). Legislative Analyst (2019a) also provides an overview of programs (excluding Head Start), state and federal funding, and number of child care slots.

<sup>2</sup> Regardless of family income, children who are homeless, at risk of abuse, or receiving public assistance are also automatically eligible for CSPP.

threshold for continuing eligibility, and brought state rules in line with CCDF by lengthening recertification periods to 12 months—the initial eligibility threshold will increase to 85% of SMI as of July 2019. Table A2 shows some key differences for CSPP and other state-funded programs between 2016 and 2018.

**TABLE A2**

Eligibility thresholds were raised between 2016 and 2018

	2016	2016, pilot counties	2018	2018, pilot counties
Income eligibility threshold for a family of 3	\$42,000	\$56,000	\$54,000	\$66,000
Max. fee for a family of 3	\$4,100	\$5,800	\$5,300	\$6,500
For families with children enrolled in 2016 in programs that assess fees:				
Est. share of families with \$0 in fees	45%		57%	
Est. mean fee for families with >\$0 fee	\$2,400		\$2,500	
Est. number of children under 5 income eligible	1,576,000		1,949,000	

SOURCES: Author calculations from the 2016 CPM and auxiliary data sources, CDE Early Learning and Care Division Management Bulletin 18-07, 2016 fee schedule available archived from Modesto City Schools at <https://www.mcs4kids.com/documents/famfeeschedule2016.pdf>.

NOTES: While this table shows income thresholds and fees as annual amounts, they are regularly assessed at the monthly level. Most counties in 2016-17 and 2018-19 capped eligibility at 70% of SMI; counties running pilot programs capped eligibility at 85% of SMI. In this report, we calculate eligibility for expanded programs using the eligibility schedule for pilot counties in 2018-19. Programs that assess fees include full-day CSPP, the Alternative Payment Programs, General Child Care and Development, and the Migrant center-based and voucher programs.

Administered federally, Head Start has a much lower income eligibility threshold than other programs; it specifically serves families with incomes below the federal poverty line (FPL). The free program is offered at child care centers that contract with the federal government; they must offer preschool-aged children at least 448 hours of classes per year. Under its traditional 4 days per week model, this translates to a minimum of 128 days of 3.5 hours a day, but Head Start can also be provided 5 days per week, and as a full-day program.<sup>3</sup>

In some cases, child care centers contract to provide both Head Start and CSPP, which can allow them to enroll the lowest-income children in both programs, and thereby offer them more hours of class per day. Since data are not collected on the number of children enrolled in both Head Start and part-day CSPP, reports of enrollment in either contain some duplicates. We estimate that up to 47 percent of all Head Start participants are dual-enrolled (see Appendix C).

Finally, Transitional Kindergarten (TK) provides a free, voluntary year of pre-kindergarten in a public school setting to children whose fifth birthdays fall just after the kindergarten eligibility cutoff date. Policymakers implemented the program in 2012, after the state’s 2010 Kindergarten Readiness Act moved the cutoff birth date from December 2<sup>nd</sup> of the year of a child’s fifth birthday to September 2<sup>nd</sup>, to hold harmless children who would otherwise have been eligible for kindergarten under the old law. School districts have the option of extending eligibility to broader groups of 4 and 5 year olds, but to-date state law does not mandate that districts provide such expanded programs. Districts are not fully funded to provide expanded TK programs, either; they receive funding per student only after children turn 5 years old. Estimates suggest that between 63 and 75 percent of schools offering TK have full, 6-hour days of class (Manship, et al. 2016; Stipek and Pizzo 2018), and that less advantaged neighborhoods are more likely to have full-day programs than those that are more advantaged (Lee and Fuller 2019).<sup>4</sup>

<sup>3</sup> A 2016 rule would have required centers to substantially increase the duration of care they offered preschool students, but the increase was made voluntary in 2018 (Office of Head Start, 2018).

<sup>4</sup> As of 2017, schools are no longer required to offer TK for the same length of time per day that they offer kindergarten.

## Child care and development for infants, toddlers, and school-aged children

Programs that serve children who are not age-eligible for preschool are exclusively available to low-income families, and form their own complex landscape. They sometimes also provide supplementary care to children enrolled in preschool, and occasionally replace preschool; children enrolled in TK, for example, retain eligibility for other child care programs.

The largest of these is the Alternative Payment Program (APP), a voucher program for care of children under 13 which itself has multiple arms: one for current and former CalWORKs recipients, and one for families who are not CalWORKs recipients. Regardless of whether parents become eligible based on CalWORKs receipt or on income, they must demonstrate that they need child care in order to participate in work, education, or training—and they receive vouchers for care that allows them to participate in these activities. For CalWORKs recipients, vouchers cover the full cost of child care; for others, they heavily subsidize the cost, along the same schedule as full-day CSPP. Vouchers can be used for care at child care centers, licensed family care homes, or for care by family and friends who are not licensed. Among current CalWORKs recipients, nearly 50% use unlicensed care.

Historically, the CalWORKs APP has served many more children than the non-CalWORKs APP: 137,000 slots compared with 45,000 slots, respectively, in the 2018-19 budget. This partially reflects the fact that vouchers are available to all eligible current and former CalWORKs recipients, while the state budget caps the number of slots that are available for subsequent care and the non-CalWORKs APP. The FY 2019 budget does, however, represent a 150% increase in non-CalWORKs slots from 2017-18, as the result of an influx of federal funding.

The primary alternative to vouchers for subsidized care of children under 13 (and not age-eligible for CSPP) is General Child Care and Development (CCTR), a program that child care centers and licensed family care homes offer through direct contracts with CDE. CCTR follows the same eligibility guidelines and fees to families as the APPs and full-day CSPP, with the intention of providing child care for the number of hours that parents or caregivers need assistance in order to work, study, or train. It is comparable in size to the non-CalWORKs APP.

Head Start also provides free care to children under 3 via Early Head Start, which shares the preschool program's low-income eligibility threshold. Child care centers must offer a minimum of 1,380 hours of care per year to Early Head Start children—more than for Head Start—but as with the preschool program, providers can make ends meet for themselves and children by combining funding from Early Head Start with CCTR.<sup>5</sup>

## Funding child care and development

State-level funding made up about 60% of public spending on child care and development programs in California in 2018-19. Of the programs operating statewide, CSPP, which is fully state-funded, has the single largest budget (\$1.3 billion). The CSPP budget comes largely from the General Fund under Proposition 98 (Melnick, et al. 2017). TK, which is also state-funded, but can be supplemented at the local level, has a state budget of \$861 million, exclusively from Proposition 98 funds.

Federal funding, however, is key to providing affordable child care in California. Head Start and Early Head Start alone cost \$1.1 billion in 2018-19, for example, and with support from the TANF block grant, the CalWORKs APP is California's second most expensive program. The federal Child Care and Development Fund (CCDF) block grant partially funds a number of programs. For 2018-19, the CCDF block grant contributed \$857 million to a total of \$2.3

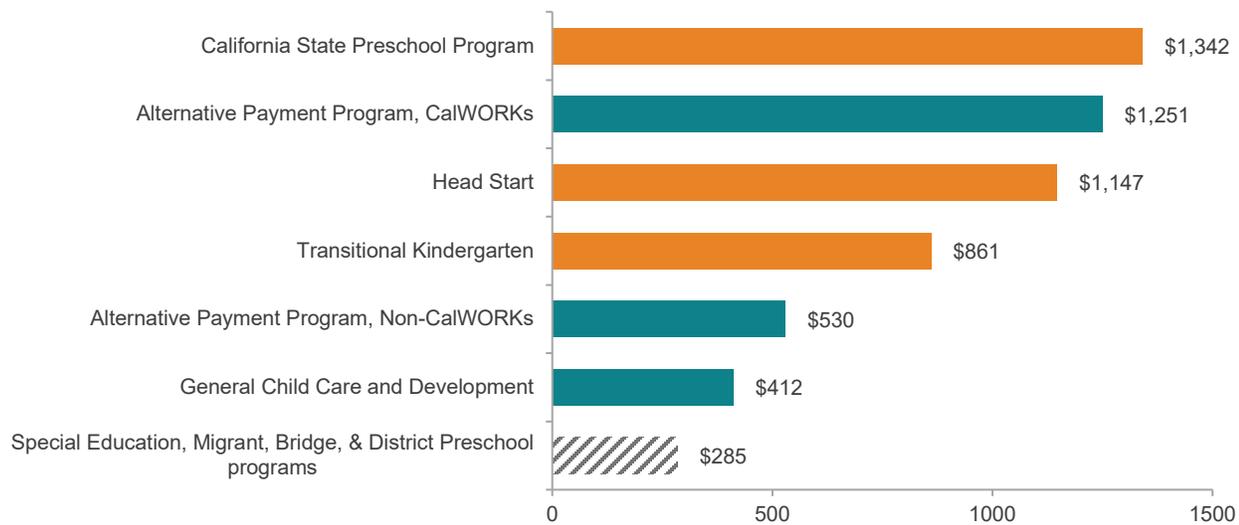
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<sup>5</sup> There are also a number of small programs that provide child care assistance to specific populations, which we include in our imputations of children served by existing programs. CDE administers a state-level center-based care program (CMIG) and voucher program (CMAP) for children of agricultural workers, the new Bridge program for foster children, and the Severely Handicapped Program, which operates only in the Bay Area. Head Start, too, technically has separate sub-programs: Migrant and Seasonal Head Start, and the American Indian and Alaska Native programs.

billion spread across the APP (\$1.8 billion), CCTR (\$412 million), and Migrant Child Care and Development (\$40 million) programs. This marked a 35 percent increase in funding relative to the previous year as a result of a dramatic increase in national CCDF funding for FFY 2018-20. The increased funds have largely been devoted to expanding the non-CalWORKs APP, and are available for adding slots in 2019-20 as well as 2018-19.

Figure A1 shows spending from state and federal budgets for individual programs, in order of magnitude. Orange bars mark programs that serve only preschool-aged children, or offer preschool-specific components; green bars mark those with no preschool-specific components, and hatch marks mark those with both. The chart groups programs with smaller budgets into a single bar: migrant programs, special education (\$232 million), the Bridge program for foster children (\$45 million), and Title I District Preschool (\$15 million). It also excludes funding for early care and education that some local governments allocate (see text box in the main report).

**FIGURE A1**  
California’s public child care and development programs cost \$5.9 billion



SOURCES: Legislative Analyst’s Office, *Child Care and Preschool Budget*; US Department of Health and Human Services, Administration for Children and Families, *Justification of Estimates for Appropriations Committees, FY 2019*; Melnick, et al., *Understanding California’s Early Care and Education System*.

NOTES: Dollar values are presented for FY 2019, in millions. Total budgeted expenses for Title I District Preschool and special education programs come from 2014-15 spending as reported by Melnick, et al. (2017).

Families above a certain income threshold do pay some fees for enrolling children in full-day CSPP, and other programs funded by CCDF that are intended to provide parents with full-time child care while they work. The fee schedule for these programs is designed to cap costs to families at 10 percent of their total income. We estimate that about half of families with children enrolled in these programs in 2016 were income-eligible to pay any fees under the schedule at that time, and those who did have fees would on average have spent 6 percent of their total resources—including the value of assistance from safety net programs. Recommendations from the Assembly Blue Ribbon Commission (2019) posit that programs should aim to limit child care costs to 7 percent of family income.

## Universal programs in other states

Existing statewide, universal programs are voluntary, and open to 4-year-olds from families of all income levels. Some programs, such as those in Vermont and the District of Columbia, also include all 3-year-olds. Overall, enrollment rates in universal preschool programs reflect both variation in implementation and the take-up rate by families of young children. Florida, Georgia, Iowa, Oklahoma, Vermont, West Virginia, Wisconsin, and the District of Columbia all enroll 60 percent or more of resident 4-year-olds in universal programs. Iowa supplements its universal program with one specifically for low-income children; New York, which has worked toward universal access for 4-year-olds since 1998, has reached 52 percent enrollment by similarly funding both universal and low-income programs. The District of Columbia enrolls the nation's highest share of 4-year-olds in public preschool, 88 percent (Cascio 2017; Friedman-Krauss, et al. 2018).

## Appendix B. Summary Description of Child Care Scenarios Developed in the Report

The California Poverty Measure (CPM) takes account of child care costs in family budgets by subtracting the costs of care needed for adults to work from family resources (see Appendix C for additional details). This approach does not allow child care expenses for families in which any adults are in school, are disabled or elderly, or are simply not working. Further, the CPM uses self-reported costs of child care. To construct the scenarios presented in this report, we adapt the CPM methodology to allow child care costs for additional families, and we peg costs to the 2016 California Regional Market Rate (RMR) Survey. These adaptations imply that poverty rates shown in detail in Appendix E are different—sometimes substantially so—from CPM poverty rates for 2016.

### Baseline scenarios

We consider two baseline scenarios:

1. Akin to the CPM, families in scope for a child care expense are those in which all adults are working and have one or more children ages 0 to 4. We expand the CPM approach by including in this baseline scenario families in which some adults are in school or report a disability, or are elderly (age 80 and above).
2. All families with any children ages 0 to 4 are in scope for a child care expense.

For each baseline, receipt of existing programs (CSPP, Head Start, etc.) is imputed.

### Expansion scenarios

We then compare each of these baseline scenarios to four expansions of full-day state preschool:

1. Children who are income-eligible for state preschool are assigned to a state preschool-like program, and all children take it up;
2. Children who are income-eligible for state preschool are assigned to a state preschool-like program, and three-quarters take it up;
3. All children are assigned to state preschool and all children take it up;
4. All children are assigned to state preschool and three quarters of children take it up;

Appendix E presents detailed tables that also include two additional expansions: to children living in deep poverty (under 50% of the CPM threshold) and in poverty (under 100% of the CPM threshold).

In cases where we include children 0-2, we also implicitly assume that the age-eligibility for CSPP is expanded. In all baseline and comparison scenarios, we hold constant enrollments in existing programs. In other words, all children we impute to be attending Head Start or receiving an APP voucher continue to receive those programs. However, in the comparisons children who are imputed to receive an existing program but who need additional hours to meet the family's need for children care are assigned these additional hours in the expansion scenarios. We also assume that older children who we impute to have access publicly provided care continue to receive this care.

## Appendix C. Detailed Methodology

This report relies on data created for the 2016 CPM, a joint effort of researchers at PPIC and the Stanford Center on Poverty and Inequality (Danielson et al. 2017; Wimer et al. 2018). The CPM is a research effort to create a detailed, California-specific version of the Census Bureau’s Supplemental Poverty Measure (Fox 2018), which is itself a more up-to-date and comprehensive picture of poverty (Blank 2008; Citro and Michael 1995). To do so, CPM researchers augment single-year American Community Survey (ACS) public-use micro data with additional data sources, including the Current Population Survey (CPS), administrative records from the Department of Social Services, and 3-year ACS datasets (Ruggles, et al. 2018).

The primary goal of the CPM is to describe poverty based on updated methodologies that make improvements in the following general areas:

1. Allow poverty thresholds to vary across regions according to housing cost;
2. Count key categories of resources that families have on hand to meet basic needs, rather than just pre-tax cash income;
3. Update the definition of family units to include foster children, cohabiting adults, and other family types.

For details on each of these improvements, see Bohn et al. (2017). In summary, updated poverty thresholds that vary according to housing cost result in CPM thresholds across the state that range from about \$20,600 to \$39,600 in 2016 (for a family of four with two children) and average (weighted) \$31,000—compared to the single federal poverty threshold of \$24,300 in 2016. CPM poverty thresholds are based on representative amounts spent on food, clothing, shelter, and utilities and are adjusted county-by-county for variation in housing costs.

In calculating family resources, we count both cash and near-cash resources in family budgets and subtract non-discretionary expenses that reduce a family’s disposable income. Specifically, we estimate all cash income (from work, retirement savings, unemployment insurances, business, etc.) any cash welfare payments received (SSI, General Assistance, and TANF), and net out taxes paid or tax credits received (federal and state Earned Income Tax Credits and Child Tax Credit). We then include the cash value of major safety net programs including SNAP, the school breakfast and lunch program, WIC, and federal housing subsidies. Two types of necessary expenses are deducted from the resulting “gross resource” calculation: out-of-pocket medical expenses and work-related expenses (principally child care and commuting).

The CPM, like the SPM, treats child care used by parents while working as a necessary expense and subtracts the cost of such care from family resources. In addition, total work-related expenses are capped at the annual earnings of the lowest earner in the family unit.

Because questions on the topic of the use or cost of child care are not asked in the ACS, child care (along with other necessary expenses and in-kind resources) must be imputed to create the CPM. Below we review the CPM methodology for imputing child care expenses in greater detail, and then describe the methodology used in this report to take account of publicly provided child care expenses.

### Actual CPM methodology

Child care expenses are imputed in the 2016 and earlier years of the CPM by applying the parameters from a regression model run in a California sample of the CPS ASEC to the ACS. See Bohn, et al. (2017) and Bohn, et al. (2013) for details beyond those provided in this appendix. The CPS asks a question about child care expenses, one added in order to compute the SPM. We pool three years of the California sample of the CPS and keep SPM

family heads not living in group quarters, who have any child under age 13, and who live in households where all adults have positive earnings in the past year.

Two models are run:

1. A linear probability model to predict whether the family has any SPM child care expense;
2. OLS model to predict the amount of child care expense among those with positive outlays. Predictors included in the models include year and region indicators, the number of adults (capped at three), whether any adult is age 18-24, whether any adult is age 65 or older, whether the youngest child is under age 5 (preschool age or younger), the number of children (capped at four), indicators for race/ethnicity (Latino, white—excluded, black, Asian, and other race), whether the family has any foreign-born members, adults’ highest level of education, and whether the family reports any TANF or any SNAP benefits.

These models are run separately for families with youngest child 0-6 and youngest child 6-12. The resulting parameter estimates are used to assign values in the ACS. Table C1 provides a comparison of the CPM and SPM imputed child care expenses.

**TABLE C1**  
2016 SPM and CPM child care expense comparison

	CPM	SPM
<b>Families in scope for a child care expense</b>		
% with any child care expense	37.1%	35.7%
Mean expense, >0	\$8,630	\$7,738
Median expense, >0	\$8,073	\$5,000
Total expense imputed (uncapped)	\$6.80 billion	\$5.65 billion
Total expense imputed (capped)	\$6.18 billion	\$5.45 billion
<b>Families with any children &lt;6</b>		
% with any child care expense	21.0%	27.4%
<b>Families with any children &lt;13</b>		
% with any child care expense	19.6%	23.3%

SOURCES: Authors’ calculations from the ACS and auxiliary data sources as described in the text (CPM); and the IPUMS CPS CA sample (Flood, et al. 2018).

NOTES: Families “in scope” for a child care expense are those with at least one child under age 13 and where all adults age 18 and over in the CPM unit have earnings. See text for further details. All estimates are based on capped expenses, except where noted.

The table indicates that 36 percent of families in scope for a child care expense in the SPM are assigned such an expense, and similarly 37 percent of in-scope families are assigned an expense in the CPM. Broadening out to all families with children under age 6, we have fewer families with a child care expenses in the CPM (21%) as compared with the SPM (27%). There is a smaller gap for families with children under age 13 (20% vs. 23%).

The distribution of expenses does differ somewhat across the two datasets. Mean expenses are about \$900 higher in the CPM, and median expenses are sharply higher (about a \$3,000 difference). After capping child care expenses at the lowest earner's earnings, total imputed expenses in the CPM are 13 percent higher (\$6.2 billion) as compared with the SPM (\$5.5 billion).

## Methodology developed in this report

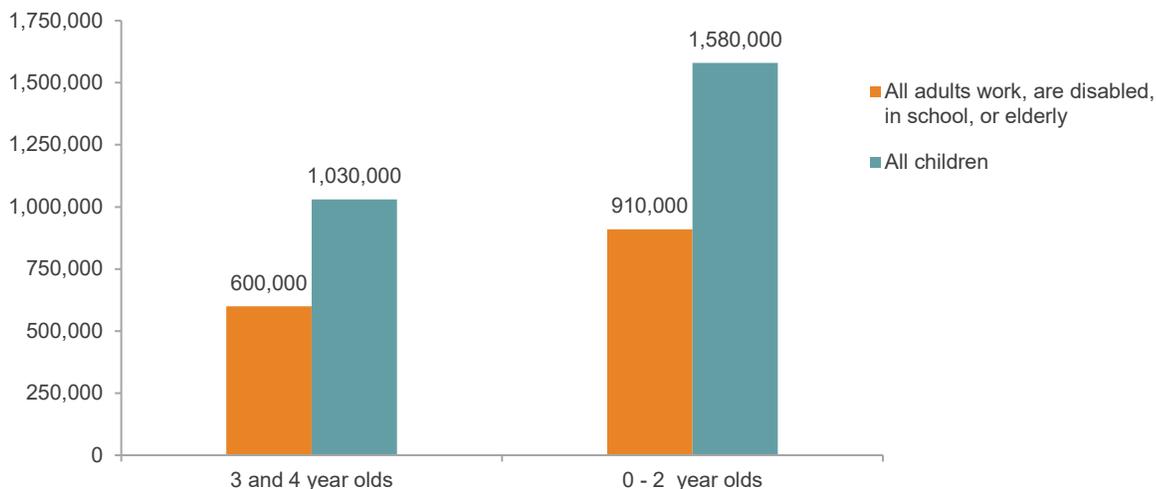
In contrast to the actual CPM approach, in this report we use age of children as of fall 2016 and adults' employment status and hours of work, along with imputed eligibility, to assign child care to reach caseload totals in major publicly provided programs. We begin by identifying families who may have a work-related child care expense, assign hours of care based on adults' hours of work as reported in the ACS, assign costs based on a 2016 survey of child care costs across California, and then randomly assign eligible families to child care based on documented caseloads across the major public programs.

### Definitions of need for child care

As described in Appendix B, we create three “baseline” scenarios for families (technically, CPM units) in scope for needing child care. These definitions use the ages of children in CPM units, along with certain characteristics of those age 18 and older in the family. In particular, we flag adults as working, in school, reporting a disability, or elderly. For the first baseline, all adults must meet one of these criteria, while for the second baseline at least one adult must meet one or more of these criteria. For the third baseline, adults' employment or other characteristics are not considered. Figure C1 shows the weighted number of children who met each of these baseline criteria for being “in scope” for child care.

**FIGURE C1**

Estimated number of children age 0-4 assigned a need for child care under two baseline scenarios



SOURCE: Author calculations from the California sample of the 2016 CPM and imputation of child care need described in the text.

NOTE: Estimates rounded to the nearest 1,000.

### Assign hours and costs

CPM unit-level child care costs are assigned based on the product of assigned potential hours of child care and hourly reimbursement rates for licensed centers and family care homes.

We assign annual potential hours of child care based on the adult within the family with the fewest annualized hours of work. Annualized hours are computed using the midpoint of the categorical variable in the ACS indicating weeks worked in the past year multiplied by the usual hours of work per week, plus self-reported

transportation time to account for commuting.<sup>6</sup> Days of child care needed are then computed by dividing annualized hours by 8 plus the self-reported transportation time.

Families that are in scope but have no adult with hours of work are assigned a need for full-time, full-year care, or 2,295 annualized hours (9 hours per day \* 5 days per week \* 51 weeks). For families where no adult has hours of work and an adult is in school, 1,080 hours are assigned (6 hours per day \* 180 school days). For these families, 1 hour of daily commute time is assigned.

We then assign cost of child care for a center and for a licensed family care home by taking the product of median RMR daily reimbursement rates and the assigned needed days of child care. We account for the fact that monthly child care rates are typically lower than daily rates by adjusting the cost of child care downwards those working full-time or full year. Workers who self-report 48 or more weeks of work during the year are designated as full-year, and those who work fewer weeks are designated as part-year. Those who self-report 35 or more hours of work per week are designated as full-time, and those who work between 1 and 35 hours are designated as part-time. For workers we classify as part-time/full-year and full-time (part or full-year), child care costs are reduced for those we assume use more regular care. For workers classified as part-time/part-year, no adjustments are made to child care costs.

## Assign eligibility

We assign eligibility for the state’s largest publicly provided child care and early education programs based on age, family income, family size, receipt of public assistance, and parental employment, using family composition and earnings information from the ACS, assistance estimates from the CPM, and program parameters from the Urban Institute’s CCDF Policies Database, other program state plans, and the federal Head Start Act. Throughout this section, “CCDF-funded programs” refers to the voucher and contract-based programs for children under 13: CalWORKs Stage 1 care, the CalWORKs and non-CalWORKs APPs, the General Child Care and Development program, Migrant Child Care programs, and the Severely Handicapped Program.

## Defining families

For the purposes of California’s CCDF-funded programs and CSPP, “family” refers to a subset of people in a household: parents and their biological or adopted children, or, in the absence of such parents, children and their siblings. We follow these parameters as laid out in the CCDF Policies Database to construct assistance units in the ACS, using IPUMS-ACS and Census relationship variables. Specifically, we use the IPUMS-ACS definition of family units, the Census Bureau’s definition of subfamilies, and the ACS variables for parent and spouse locations and for relationship to the household head to link parents with their children, to put teen parents in units with their own children, and to separate foster children and children linked no parent in the ACS into their own units.

This is similar to the approach used by Schumacher (2019b); our approach differs in that it links unmarried partners with their children in the same household, which is not done by the Census subfamily variable, and allows child-only units. As income data are not collected in the ACS for people under 15, we assign children in individual units zero income. This could have the effect of overestimating eligibility for the 2.8% of children under 13 in this kind of unit. Almost 70% of those children, however, are either in foster care or living in families who report incomes below 200% of the Federal Poverty Line (FPL). As such, effect of the overestimate on our baseline and comparison scenarios is quite small.

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<sup>6</sup> School-aged children are not a focus of this report, but we did consider their need and eligibility for certain publicly provided child care programs in developing the methodology. For school-aged children (ages 5-12), a total of 1,080 hours (6 hours per day x 180 school days) is subtracted from the adults’ annualized hours. In some cases, this results in zero hours of care assigned to the family.

Because Head Start income eligibility is determined based on a family size that includes all related people in a household who rely on the income of the parents or guardian, we calculate it using the IPUMS-ACS definition of family units. This groups all related members of a household.

### **Calculating income**

As with family definitions, we use the CCDF Policies Database to set parameters for family income for CCDF-funded programs and CSPP, and the family income variable that accompanies the IPUMS-ACS variable for family unit for Head Start. This matches the methodology of Schumacher (2019), and a more complete description is available in the technical appendix to that report (2019b).

For Head Start, we use the IPUMS-ACS definition of family income that accompanies its variable for family units. Because Head Start technically only counts the incomes of parents whose children are enrolling, this means we may be underestimating eligibility of some children who live in large households with a number of earners. We cannot, however, determine in the ACS whether related adults in the household are financially supported by the applicant parents, and our approach allows for the possibility that earning adults are nonetheless supported by their relatives.

### **Setting basic criteria for eligibility**

The appendix to Schumacher (2019b) again well describes the basic criteria for eligibility for CSPP and CCDF-funded programs in California—income, receipt of public assistance, homelessness, or involvement with child protective services (CPS)—and the limitations of using the CPS or ACS to assess these criteria. As in their analysis, we are able to assign eligibility based on income and CalWORKs receipt, but not on homelessness or involvement with CPS, and this means our estimate of eligibility may be conservative. Instead of using the self-reported receipt of CalWORKs to determine eligibility, however, we use CalWORKs receipt as imputed in the CPM. Given that these imputations are tied to actual caseloads, which tend to be larger than self-reported in the ACS, our estimate is likely larger than previous estimates, if also closer to reality. On the other hand, CalWORKs benefits are attributed to entire families rather than individuals, in the CPM, which may lead us to slightly overestimate the number of children eligible for care.

We also address eligibility based on whether children have special needs, and parents are employed, seeking employment, in vocational training, or incapacitated. We flag children noted in the ACS to have cognitive, ambulatory, self-care, independent-living, vision, or hearing difficulties as those with special needs. None of these questions are asked about children under five years old, which means we likely underestimate eligibility of young children. For parents, we assume that vision and hearing difficulties would not alone constitute parental incapacitation.

Regarding employment- and education-based eligibility, we flag parents who report being employed the previous week, and among those who do not, we additionally flag those who report searching for work in the previous month. We also flag those who report not being employed but attending high school, college, or graduate/professional school within the previous three months (with the exception of non-CalWORKs recipients, who in 2016 could not use high school attendance to qualify for child care). While these are to some extent broad assignments of eligibility—we do not know, for example, whether a job search exceeded the length of eligibility for child care—we also likely underestimate the number of CalWORKs recipients participating in welfare-to-work activities that the ACS does not capture.

Finally, immigration status affects eligibility for both CCDF-funded programs and CSPP. Children can be eligible for CSPP unless they or their parents are under final orders of deportation; undocumented children and parents cannot be eligible for CalWORKs, or related child care. We address this by excluding families where either a

parent or child is flagged as undocumented in the CPM from eligibility for CCDF-funded programs, but not from CSPP. This potentially overstates eligibility for CSPP, as we cannot estimate the share of undocumented families with final deportation orders, and understates eligibility for the non-CalWORKs programs funded by CCDF that share immigration-related eligibility rules with CSPP. The underestimation is a function of using data that group children from both CalWORKs stages 2 and 3 care with children from the other programs. For more information on estimating the undocumented population in the CPM, see Bohn, et al (2017).

### Adjusting income thresholds

In this project, we calculate monthly eligibility using prorated annual income. Because income may actually vary month-to-month, making a family eligible in some months but not others, we inflate income eligibility thresholds by a factor of 1.33, which is the factor used in imputing eligibility for other programs in the CPM that rely on a calculation of monthly income. These programs include CalFresh, CalWORKs, WIC, and school meals.<sup>7</sup>

For CSPP and CCDF-funded programs other than CalWORKs Stage 1, this involves inflating multiple thresholds: in 2016 there were three pilot counties enrolling families earning up to 85% of the State Median Income (SMI) (compared with the statewide threshold of 70%)<sup>8</sup>, and the program allowed enrollment of up to 10% of children from families earning up to 15% more than the eligibility threshold. For simulated program expansions, we use 2018-19 eligibility thresholds for pilot counties, approximating the statewide increase in eligibility to 85% of SMI in July 2019. We inflate all upper thresholds by 1.33.

Head Start has a similar condition: up to 35% of children enrolled can be from families earning up to 130% of FPL, and in very rural or underserved communities, Head Start centers can enroll children from families of any income level. We therefore not only inflate the 130% threshold by a factor of 1.33, we deprioritize, rather than exclude, children from higher income families.

### Assigning family fees

While Head Start, TK, and part-day CSPP are free programs, non-CalWORKs families can have some fees for CCDF-funded programs and full-day CSPP. We assign these to families in our analysis—those with children under 5—using the CSPP family fee schedule from 2018-19 for counties operating pilot programs, to make assigned fees consistent across current participants and those in expanded programs. Families with incomes above the maximum income thresholds but within 1.33 times the thresholds are assigned the maximum fees. Families where anyone receives benefits from CalWORKs—as imputed in the CPM—are exempt from fees.

Monthly family fees for subsidized care can be assessed at either a part-time or a full-time rate, depending on the amount of time children spend in care. We make a conservative estimate as to the amount that families pay, assigning full-time fees to all children under 5 who are enrolled in full-day CSPP or CCDF-funded programs.

We then assess these fees at the family level. Families pay for CCDF and CSPP care based on the child in the family receiving the most hours of care; within each assistance unit, we keep and sum the highest fees assigned for CCDF and CSPP care. In order to estimate the costs of care on poverty, we then sum these fees to the CPM family unit level, which changes totals only in cases where single CPM units contain multiple child care assistance units. In theory, families who choose to use vouchers for care at locations that charge rates above the RMR would need to pay the difference between the RMR and the providers' rates. We do not have data to estimate the rate at which this happens, or the amount that such families typically pay for care in excess of the

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<sup>7</sup> The precise factor used is 4/3.

<sup>8</sup> According to Alameda County's [April 2016 plan](#) for their pilot, the threshold was e SMI as of 2005 for non-pilot counties, and SMI as of 2010 for pilot counties.

family fee; as such, if it happens, we likely underestimate the costs of subsidized care to some families, and overestimate the impact of child care programs on poverty.

### **Transitional Kindergarten**

Transitional Kindergarten (TK) differs from the other subsidized or free programs in that it is not means-tested; the only eligibility that we assign for TK is based on age. Children who are age-eligible for TK are not a focus of this report. Nonetheless, we considered this program as a potential source of child care in developing the methodology used in this report.

Children were eligible for TK in October 2016 if they turned 5 between September 2 and December 2, if they lived in one of six school districts that offered expanded TK and would turn 5 within the school year, or if they were age-eligible for kindergarten but their parents and teachers agreed that they would remain in TK. We therefore use the ACS variables for birth year and birth quarter to allow children born in the third or fourth quarter of 2011 (those who turned five after June) to be assigned to the program. For the four counties that included school districts that offered expanded TK, we extend eligibility to children born in the first and second quarters of 2012.

### **Assign receipt of publicly provided care**

We assign receipt of publicly provided care to children in this eligibility pool using caseloads for each of the major publicly provided programs from October 2016, with the exception of Head Start, for which we use cumulative enrollment for 2015-16 (see Appendix C for a complete description of data sources). This involves breaking caseload counts down to the smallest cells possible—by county or region, and age, and in some cases race/ethnicity—and then randomly assigning eligible children with the specified characteristics to the programs until the total counts match. The imputation procedure results in a small overcount in each cell. We discuss this issue further in Appendix D.

Matching actual caseloads requires some loosening of eligibility rules. Monthly caseloads for CalWORKs Stage 1 care, for example, show that nearly a third of children enrolled in any given month are no longer receiving CalWORKs assistance. We therefore do not exclude families where no one receives CalWORKs from being assigned Stage 1 care, although we make it less likely that they will be assigned it: we end with 89.5% receiving aid.

In other cases, matching caseloads requires extra specificity. In the case of TK, we assign children who turned 5 in the second half of the year to the program. And we assign children to CSPP and CCDF-funded programs using their ages as of October 2016, based on their birth years and quarters. We use ACS-reported ages for Head Start, however, because the PIR offers a cumulative rather than a point-in-time total.

Finally, families report in the ACS whether children ages 3 and older are enrolled in school, at what grade, and at what type of school. We restrict assignment of TK to children reported as attending either nursery school or kindergarten at a public school, allowing that while TK happens in a public school setting, parents may differently report it as either kindergarten or preschool. For full- or part-day CSPP, we restrict assignment to children reported as attending nursery school or no school, at either a public or private school. This allows that parents may differently report CSPP as public or private, depending on the program site, and may either view it as school, or not report it at all, if they consider it to be day care. Given that the APPs and other CCDF-funded programs include children under 3, and our data for Head Start link it with Early Head Start, we do not use school attendance as a restricting factor for assignment to Head Start.

### **Enrollment in multiple programs**

Child care centers regularly accept funding from multiple programs, and many blend funding from CSPP and Head Start in particular in order to provide a complete day of care for one child, or to pay the costs of care for

a whole classroom. Because Head Start and CSPP are managed at different levels (federal and state, respectively), caseloads from each program likely contain duplicates. Neither CDE nor the Office of Head Start tracks dual enrollment. AIR estimated that in 2014 25% of California children in Head Start were dual enrolled (Anthony, et al. 2016).

Comparing current (December 2018) Head Start site addresses from ECLKC’s Head Start Center Locator with current (December 2018) CSPP sites from CDE’s Early Learning and Care Division, we find that 44% of Head Start sites—some of which provide only Early Head Start—share an address with a CSPP site. This accounts for 25% of CSPP sites.

We estimate dual enrollment in 2016 by linking this information about Head Start sites that share addresses in 2018 with the PIR for 2016. Omitting one former grantee that no longer has a Head Start grant, and three new grantees for whom we have no enrollment data from 2016, we find the percentage of Head Start centers serving preschool-aged children that share addresses with a CSPP in 2018, and multiply this by the number of preschool-aged children enrolled in 2016 by region to find a number of children in the region who may have been dual-enrolled. We use population-weighted crosswalks from the Missouri Census Data Center to assign zip code-level addresses and numbers of children to counties and regions, so the total number of preschool-aged children enrolled by region does not exactly match the number enrolled by grantee.

The result is that we estimate a total of roughly 41,000 out of 88,000 children in Head Start, or about 47%, were dual enrolled. Table C2 shows these estimates in greater detail. Assuming that likelihood of dual enrollment does not vary by age within preschoolers, we use the region-level estimates to randomly assign children enrolled in part-day CSPP to also be enrolled in Head Start.

**TABLE C2**

Address-sharing between Head Start and CSPP sites varies across the state

	Head Start sites	Head Start sites that share an address	% of sites shared	Preschool-aged children enrolled	Est. dual-enrolled children
Northern Region	70	34	49%	2,300	1,100
Sacramento Area	173	114	66%	8,800	5,800
Bay Area	202	118	58%	11,600	6,700
Central Valley and Sierra	326	127	39%	14,900	5,800
Central Coast Region	92	47	52%	4,000	2,100
Inland Empire	81	31	38%	3,900	1,500
Los Angeles County	410	167	41%	29,600	12,000
Orange County	42	7	17%	3,900	600
San Diego County	105	64	61%	8,600	5,300

SOURCE: Authors’ calculations using the Head Start Center Locator (2018), Head Start Program Information Reports (2015-16), and data from the California Department of Education Early Learning and Care Division (2018).

NOTE: Northern counties: Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Mendocino, Modoc, Nevada, Plumas, Shasta, Sierra, Siskiyou, Tehama, and Trinity. Sacramento area counties: El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba. Bay Area counties: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, and Sonoma. Central Valley and Sierra counties: Alpine, Amador, Calaveras, Fresno, Inyo, Kern, Kings, Madera, Mariposa, Merced, Mono, San Joaquin, Stanislaus, Tulare, and Tuolumne. Central Coast counties: Monterey, San Benito, San Luis Obispo, Santa Barbara, and Ventura. Inland Empire counties: Imperial, Riverside, and San Bernardino.

This approach may somewhat overestimate the number of children enrolled in both CSPP and Head Start, since it assumes that the share of centers with shared addresses parallels the share of children dual enrolled, when in reality some children may be enrolled in just one of the two programs offered at the site. Further, we have no information about how center characteristics may interact with the likelihood of having dual enrolled children, or of sharing an address, since the PIR supplies enrollment counts at the program grant level, rather than the center level. And finally, grantees as of 2018 may have added or removed sites that shared funding in 2016, which may bias our estimates, but we cannot assess this from the data we have.

With regard to other programs, it is possible that families with children enrolled in a part-day program may also receive child care assistance through another program, in order to make ends meet in their own schedules. Based on conversations with analysts at the LAO, we randomly assign some children to both TK and other CCDF-funded programs.

## Appendix D. Data

To implement the methodology, we consider key sources of free or subsidized child care—primarily CCDF subsidy-funded programs, Head Start, and CSPP—and also use a set of auxiliary datasets to impute eligibility for subsidized child care, as well as child care costs for licensed providers. As described in Appendix C, the base dataset used to build the CPM is the California sample of the ACS (Ruggles, et al. 2018). We start with the dataset constructed for the 2016 CPM, the most recent available.

### Calculation of eligibility for publicly provided child care

#### CCDF Policies Database

The US Department of Health and Human Services administers the Child Care and Development Fund (CCDF), a block grant governed by the Child Care and Development Block Grant (CCDBG) Act, in order to partially fund a number of child care programs in California: the Alternative Payment Program (APP) for CalWORKs recipients, the APP for people who do not receive CalWORKs, General Child Care and Development, ECE Supports, and Migrant Programs. The largest share of California’s CCDF money supports the two APPs; these programs are additionally supported by the state’s General Fund (Melnick, et al. 2017).

In conjunction with the Office of Planning, Research, and Evaluation, the Urban Institute maintains a [national database of state-level CCDF policies](#) over time. The database records features of eligibility for CCDF-funded care, factors in copayment determination, and reimbursement rates for care providers, for the family, provider, and geographic types amongst which CCDF policies vary. Data are updated annually; recorded policies currently span 2009-2017. For California, the CCDF Policies Database records policies that shape the two APPs. However, in this report we apply the policies recorded in Urban Institutes’s database to all of California’s CCDF-funded programs, because they share many significant features—most importantly, income eligibility thresholds—and because the smaller programs serve too few children to separate in ACS data.

### Sources for caseloads of publicly provided child care

We consider the largest state- and federally funded programs. Table D1 summarizes the caseload data we collected.

#### Head Start Program Information Reports (PIR)

The federal Office of Head Start collects Program Information Reports (PIR) from grantees and delegates each year that contain detailed information on individual program types, enrollment numbers, and ZIP codes, as well as the number of ACF-funded children served, and the number of children by age, race/ethnicity, and national origin. We use cumulative enrollment counts from the 2015-16 PIR, submitted by August 31, 2016.

#### CalWORKs Stage 1 (CW 115 reports)

CDSS and its County Welfare Departments (CWDs) oversee implementation of CalWORKs Stage 1 child care, a subset of the APP for CalWORKs recipients, with funding from CCDF, the Temporary Assistance to Needy Families (TANF) Bureau, and the State of California. CDSS collects monthly reports from CWDs on children receiving CalWORKs Stage 1 care, via form CW 115, which CDSS then transmits to the federal Child Care Bureau. These reports enumerate children by age and provider type, and contextualize caseloads by counting children held in Stage 1 care (when they could have moved to Stage 2) by program reason for remaining in care (e.g. no funding available, or agency staffing issues). We use data from October 2016, as a representative month.

## Child Development Management Information System and California 801A reports

CDE maintains the Child Development Management Information System (CDMIS), which includes information on children served by the APP—CalWORKs Stages 2 and 3 child care, and care for non-CalWORKs families—as well as state preschool, and several smaller programs. We use custom reports created by the Early Learning and Care Division (ELCD) at CDE that detail enrollment in each program by age, race/ethnicity, and county in October 2016.

### Transitional Kindergarten

While CDE also administers TK, enrollments are reported through the California Longitudinal Pupil Achievement Data System (CALPADS) rather than CDMIS. These numbers are available online via CDE’s Data Reporting Office, using the DataQuest tool. We use the total TK enrollment in each county, by race/ethnicity, as reported for the first Wednesday in October 2016.

**TABLE D1**

Sources of child care program caseload data

Program	Agency	Data source	Date
CalWORKs Stage 1	CDSS	CW 115 reports	October 2016
CalWORKs Stages 2-3	CDE	CDD-801A, via ELCD	October 2016
Alternative Payment Program (Non-CalWORKs)	CDE	CDD-801A, via ELCD	October 2016
California State Preschool Program	CDE	CDD-801A, via ELCD	October 2016
General Child Care and Development	CDE	CDD-801A, via ELCD	October 2016
Migrant Child Care & Migrant Alternative Payment Program	CDE	CDD-801A, via ELCD	October 2016
Severely Handicapped Child Care	CDE	CDD-801A, via ELCD	October 2016
Head Start	Federal Administration for Children and Families	OHS Program Information Reports	2015-16
Transitional Kindergarten	CDE	CALPADS, via DataQuest	October 2016

### Limitations of Enrollment Data

Using point-in-time caseloads to assign enrollment in publicly provided child care programs as of October 2016 is consistent with other analyses (Schumacher 2019a; Tran, et al. 2018; Anthony, et al. 2016), but creates several sources of bias. These totals somewhat underestimate the number of children who ever participated in those programs and overestimate the cost to families—because some children are enrolled for only part of a year. As Figure D1 shows, the difference between a point-in-time count of children enrolled and a cumulative count of children served during 2016 can be relative. Cumulative enrollment for 2016 was almost 60% higher than October 2016 enrollment in full-day CSPP, and the CCDF-funded programs beyond CalWORKs Stage 1. TK cumulative enrollment exceeded point-in-time enrollment by 10%, and part-day CSPP by 19%.

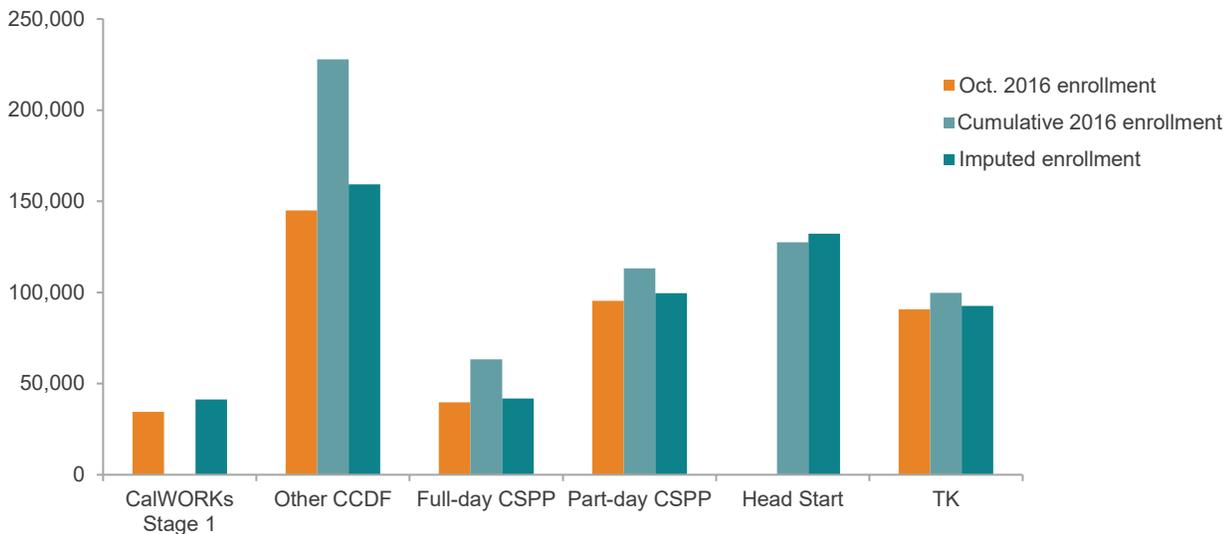
These biases are somewhat mitigated by the fact that our assignment method slightly overcounts the number of children who participate in any given program. Further, we avoid double-counting children who age out of one program and into another, and are thus duplicated in cumulative enrollment counts; the fragmented nature of public child care administration means that little information is available on how common it is for a family to transition between public programs within the year. Finally, in 2016, most families remained eligible for programs for at least 12 months before incomes were re-verified. CalWORKs Stage 1 care was the exception, with a 6-month limit—so we may be underestimating costs for families who were enrolled in Stage 1 for just

6 months—but as discussed above, many children remained in that program even after losing benefits, and those who continued to receive CalWORKs but left Stage 1 continued to get free care. We therefore may be assessing them the same costs for the year under either scenario.

As shown in Figure D1, our imputations of care receipt slightly exceed point-in-time enrollment, and are less than cumulative enrollment.

**FIGURE D1**

Cumulatively imputed totals fall between monthly and cumulative annual enrollment



SOURCE: See table D1 for sources of caseload data.

NOTE: Cumulative enrollment data are not available for CalWORKs Stage 1 child care; point-in-time enrollment data are not available for Head Start.

## Cost of child care

**California Regional Market Survey.** The 2016 Regional Market Rate (RMR) Survey of California Child Care Providers is a federally mandated study commissioned by the state of California to assess appropriate reimbursement ceilings for child care expenses across all 58 counties in the state. In California, CDE oversees this requirement. RMRs are conducted biennially. The 2016 RMR survey provides county-level costs for Licensed Child Care Centers (LCCs) and Licensed Family Care Homes (LFCHs) across infant (under 2 years old), pre-school (between 2 and 4 years old), and school-age (five years and older) age groups. The 2016 California RMR survey is described in detail in ICF Macro (2017). A limitation of the RMR is that it excludes costs of license-exempt care, which includes a majority of children supported by Stage 1 CCDF-funded child care for TANF recipients. However, Stage 1 child care is a relatively small source of publicly provided care (see Figure D1).

Table D2 provides summary statistics for median daily child care rates, which are the rates used in this report to obtain cost estimates. Not shown are rates for children ages five and older because we do not incorporate child care expansions for older children into the analyses conducted for this report. The table provides weighted statewide means, along with minimum and maximum daily rates. We use the baseline scenarios described in Appendix B to translate statewide average daily rates into annual amounts. The annual amount for working families reflects annual hours worked by parents and caregivers of young children (in families in which all adults

are working, in school, report a disability, or are age 80 or older). The annual amount for full-time care reflects the daily rate multiplied by 250 days.

**TABLE D2**

Daily child care rates in 2016, LCCs and LFCHs

	Licensed Child Care Centers	Licensed Family Child Care Homes
<b>Statewide daily rates</b>		
Mean		
Age 0-1	\$74.74	\$45.99
Age 2-4	\$49.61	\$42.30
Max		
Age 0-1	\$106.12	\$72.18
Age 2-4	\$76.86	\$66.17
Min		
Age 0-1	\$56.45	\$33.22
Age 2-4	\$32.77	\$30.97
<b>Mean annual equivalent cost</b>		
<b>Care for working families</b>		
Age 0-1	\$13,754	\$8,473
Age 2-4	\$8,990	\$7,661
<b>Full-time care for all young children</b>		
Age 0-1	\$18,685	\$11,497
Age 2-4	\$12,402	\$10,575

SOURCE: Author calculations from ICF Macro (2017).

NOTES: Means are population-weighted using the 2016 ACS California sample of young children. Annual equivalents reflect the two assumptions described in Appendix B of need for child care or preschool.

## Appendix E. Detailed tables

Table E1 shows the estimated number of young children assumed to need child care under the two baseline assumptions described in Appendix B; Table E1 also shows the number of children with an assumed need under each baseline who are served by an existing program. Tables E2 and E3 provide detailed, statewide estimates for the expansion scenarios described in Appendix B. Each table has two sections. The first section of each presents estimates based on median costs for Licensed Child Care Centers using the 2016 RMR, while the second section presents estimates based on median costs for Licensed Family Child Care Homes. Center-based care is typically more expensive than family child care homes, and we use the former estimates in the tables presented in the report. Both Table E2 and Table E3 provide estimates for children ages 0-2 as well as children ages 3-4 who are the focus of the report. Note that for all scenarios, other young children in the family are still included in the two baseline scenarios as needing child care and therefore their child care expenses are factored in to the poverty rates shown.

Column 1 of Tables E2 and E3 shows our estimates with existing programs while column 2 shows estimates if we zero out all existing programs. The report focuses on expansions to low-income children (with 75% or 100% take-up assumed—columns 3 and 4 of Tables E2 and E3) and to all children (again with 75% or 100% take-up assumed—columns 7 and 8). Tables E2 and E3 also provide results of expansion scenarios where children in deep poverty or in poverty (according to the CPM) are eligible (columns 5 and 6).

The rows of each section of Tables E2 and E3 first show percentages of children in poverty (under 100% of the CPM threshold) and deep poverty (under 50% of the CPM threshold) given the baseline assumption of need (either for care for the hours parents are working or in school, or for full-time, full-year care) and the various expansion scenarios we developed (columns 3-8). Following rows show estimated new children served, children already served who have additional hours of care under the expansion, and number of children moved out of poverty by the expansion. We then show the ratio of assumed child care expenses to family resources (defined as the cash and near cash resources included in the CPM) – assuming that all families with a need for child care under the baseline assumption paid for it if they did not have access to a fully or partly subsidized program. In other words, this row allows a comparison of how much expenses drop for families for broader vs. narrower child care expansions. We then show calculations of the percent of families who would have paid a family fee under our assumptions of need and eligibility and recalculate family fees for those who paid any fees. The hours calculations make the assumption that CSPP provides 6.5 hours of care for 250 days a year – and estimates the percent of children in families with an assumed need for child care that exceeds this minimum. The final row of each section of the table shows cost for children in the target age range.

Tables E4-E6 show baseline need and poverty estimates within broad categories of race/ethnicity and family structure. Small sample sizes preclude disaggregating to more refined categories. We create subgroups based on family structure by counting the number of adults in each family unit, as defined by the CPM, where adults are either 18 years or older, or are teen parents. See Bohn et al. (2013) for additional information about the construction of CPM family units, which include cohabiting partners and adults related to the household head, but divide otherwise unrelated adults living in the household into separate family units. In this report we categorize family units into three types: 1. containing a single adult; 2. containing two adults who are married or cohabiting; 3. all other family types. Families that are multigenerational or otherwise more complex fall into this third category.

Tables E7-E9 show baseline need and poverty estimates for children in different regions of the state, which we define as groups of counties. Sacramento and northern counties include: Butte, Colusa, Del Norte, El Dorado,

Glenn, Humboldt, Lake, Lassen, Mendocino, Modoc, Nevada, Placer, Plumas, Sacramento, Shasta, Sierra, Siskiyou, Sutter, Tehama, and Trinity, Yolo, and Yuba counties. The Central Valley, Sierra, and Central Coast includes Alpine, Amador, Calaveras, Fresno, Inyo, Kern, Kings, Madera, Mariposa, Merced, Mono, Monterey, San Benito, San Joaquin, San Luis Obispo, Santa Barbara, Stanislaus, Tulare, Tuolumne, and Ventura. The Bay Area includes Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, and Sonoma. Inland Empire includes Imperial, Riverside, and San Bernardino. Los Angeles, Orange and San Diego counties—the three most populous in the state—are shown separately.

**TABLE E1**

Statewide estimates of children with a need for child care and served by existing programs

	Care for working families	Full-time care for all children
<b>Children 0-2 (1,580,000 total)</b>		
Children in scope	912,000	1,581,000
In scope and served by existing programs	63,000	102,000
<b>Children 3-4 (1,030,000 total)</b>		
Children in scope	597,000	1,028,000
In scope and served by existing programs	153,000	263,000

**TABLE E2**

Care for working families: baseline and expansion scenarios

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Child care costs determined using 2016 RMR for Licensed Child Care Centers	Actual subsidies assigned	No subsidies assigned	All income-eligible children assigned needed hours	75% of income-eligible children assigned needed hours	Children in deep poverty assigned needed hours	Children in poverty assigned needed hours	All children assigned needed hours	75% of children assigned needed hours
<b>Children 3-4</b>								
Child poverty %	27%	28%	24%	24%	27%	24%	24%	24%
Deep child poverty %	8%	9%	6%	6%	6%	6%	6%	6%
Additional Subsidized (not currently served)	-	-	263,000	197,000	28,000	84,000	444,000	331,000
Additional Subsidized (currently served)	-	-	65,000	65,000	7,000	27,000	71,000	71,000
Children moved out of poverty	-	-14,000	33,000	27,000	1,000	32,000	33,000	27,000
Expense ratio	20%	27%	16%	16%	21%	19%	14%	15%
% Families with 0 fees	84%	-	54%	58%	84%	78%	37%	42%
Expense ratio (any fees)	16%	-	16%	16%	21%	21%	13%	13%
% families above CSPP min	13%	-	36%	34%	21%	29%	46%	43%
Avg. hours needed above min	300	-	600	600	600	600	600	600
Cost (within age group)	\$3.28 Billion	\$3.64 Billion	\$2.25 Billion	\$2.45 Billion	\$3.02 Billion	\$2.67 Billion	\$1.96 Billion	\$2.24 Billion
<b>Children 0-2</b>								
Child poverty %	28%	28%	21%	23%	27%	21%	21%	23%
Deep child poverty %	8%	9%	5%	6%	5%	5%	5%	6%
Additional Subsidized (not currently served)	-	-	544,000	410,000	71,000	212,000	850,000	637,000
Additional Subsidized (currently served)	-	-	13,000	13,000	2,000	7,000	13,000	13,000
Children moved out of poverty	-	-10,000	103,000	77,000	9,000	102,000	103,000	77,000
Expense ratio	14%	28%	10%	10%	16%	12%	9%	10%
% Families with 0 fees	77%	-	48%	49%	82%	71%	32%	33%
Expense ratio (any fees)	12%	-	13%	13%	18%	16%	10%	10%
% families above CSPP min	8%	-	45%	43%	38%	45%	54%	52%
Avg. hours needed above min	800	-	600	700	800	700	700	700
Cost (within age group)	\$7.41 Billion	\$7.61 Billion	\$4.48 Billion	\$5.25 Billion	\$6.72 Billion	\$5.77 Billion	\$2.93 Billion	\$4.14 Billion

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Child care costs determined using 2016 RMR for Licensed Family Child Care Homes	Actual subsidies assigned	No subsidies assigned	All income-eligible children assigned needed hours	75% of income-eligible children assigned needed hours	Children in deep poverty assigned needed hours	Children in poverty assigned needed hours	All children assigned needed hours	75% of children assigned needed hours
<b>Children 3-4</b>								
Child poverty %	26%	27%	23%	23%	26%	23%	23%	23%
Deep child poverty %	7%	7%	6%	6%	6%	6%	6%	6%
Additional Subsidized	-	-	263,000	197,000	22,000	77,000	444,000	331,000
Additional Subsidized (currently served)	-	-	65,000	65,000	6,000	25,000	71,000	71,000
Children moved out of poverty	-	-13,000	32,000	27,000	0	31,000	32,000	27,000
Expense ratio	17%	23%	13%	13%	17%	16%	12%	12%
% Families with 0 fees	84%	-	54%	58%	85%	79%	37%	42%
Expense ratio (any fees)	14%	-	14%	14%	16%	17%	11%	12%
% families above CSPP min	13%	-	36%	34%	19%	28%	46%	43%
Avg. hours needed above min	300	-	600	600	600	600	600	600
Cost (within age group)	\$2.90 Billion	\$3.20 Billion	\$2.08 Billion	\$2.23 Billion	\$2.73 Billion	\$2.40 Billion	\$1.96 Billion	\$2.15 Billion
<b>Children 0-2</b>								
Child poverty %	25%	26%	21%	22%	25%	21%	21%	22%
Deep child poverty %	7%	7%	5%	5%	5%	5%	5%	5%
Additional Subsidized (not currently served)	-	-	544,000	410,000	50,000	175,000	850,000	637,000
Additional Subsidized (currently served)	-	-	13,000	13,000	1,000	7,000	13,000	13,000
Children moved out of poverty	-	-10,000	67,000	50,000	2,000	67,000	67,000	50,000
Expense ratio	11%	21%	10%	10%	14%	11%	9%	9%
% Families with 0 fees	77%	-	48%	49%	84%	76%	32%	33%
Expense ratio (any fees)	11%	-	12%	12%	16%	15%	10%	10%
% families above CSPP min	8%	-	45%	43%	31%	41%	54%	52%
Avg. hours needed above min	800	-	600	700	800	700	700	700
Cost (within age group)	\$5.12 Billion	\$5.26 Billion	\$3.47 Billion	\$3.92 Billion	\$4.81 Billion	\$4.23 Billion	\$2.93 Billion	\$3.56 Billion

**TABLE E3**

Full-time care: baseline and expansion scenarios

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Child care costs determined using 2016 RMR for Licensed Child Care Centers	Actual subsidies assigned	No subsidies assigned	All income-eligible children assigned to full time care	75% of income-eligible children assigned to full time care	Children in deep poverty assigned to full time care	Children in poverty assigned to full time care	All children assigned to full time care	75% of children assigned to full time care
<b>Children 3-4</b>								
Child poverty %	41%	43%	31%	33%	41%	32%	31%	33%
Deep child poverty %	20%	23%	12%	14%	12%	12%	12%	14%
Additional Subsidized (not currently served)	-	-	515,000	387,000	136,000	267,000	764,000	573,000
Additional Subsidized (currently served)	-	-	204,000	204,000	65,000	131,000	214,000	214,000
Children moved out of poverty	-	-25,000	101,000	85,000	3,000	98,000	101,000	85,000
Expense ratio	41%	57%	29%	29%	46%	38%	25%	25%
% Families with 0 fees	89%	-	62%	65%	89%	80%	46%	50%
Expense ratio (any fees)	21%	-	20%	20%	28%	25%	16%	16%
% families above CSPP min	38%	-	72%	68%	56%	64%	76%	73%
Avg. hours needed above min	300	-	600	600	500	600	600	600
Cost (within age group)	\$7.91 Billion	\$8.87 Billion	\$3.71 Billion	\$4.52 Billion	\$6.35 Billion	\$5.13 Billion	\$2.84 Billion	\$3.89 Billion
<b>Children 0-2</b>								
Child poverty %	44%	46%	26%	31%	42%	26%	26%	31%
Deep child poverty %	23%	25%	8%	12%	8%	8%	8%	12%
Additional Subsidized (not currently served)	-	-	1,079,000	824,000	345,000	643,000	1,479,000	1,121,000
Additional Subsidized (currently served)	-	-	45,000	45,000	16,000	32,000	46,000	46,000
Children moved out of poverty	-	-26,000	286,000	212,000	42,000	284,000	286,000	212,000
Expense ratio	32%	62%	19%	20%	33%	25%	16%	17%
% Families with 0 fees	83%	-	56%	57%	88%	73%	42%	42%
Expense ratio (any fees)	16%	-	15%	16%	20%	18%	12%	13%
% families above CSPP min	22%	-	93%	91%	81%	89%	95%	94%
Avg. hours needed above min	500	-	700	700	700	700	700	700
Cost (within age group)	\$18.03 Billion	\$18.83 Billion	\$7.11 Billion	\$9.72 Billion	\$13.74 Billion	\$10.68 Billion	\$4.17 Billion	\$7.56 Billion

Child care costs determined using 2016 RMR for Licensed Family Child Care Homes	(1) Actual subsidies assigned	(2) No subsidies assigned	(3) All income-eligible children assigned needed hours	(4) 75% of income-eligible children assigned needed hours	(5) Children in deep poverty assigned needed hours	(6) Children in poverty assigned needed hours	(7) All children assigned needed hours	(8) 75% of children assigned needed hours
<b>Children 3-4</b>								
Child poverty %	38%	40%	29%	30%	38%	29%	29%	30%
Deep child poverty %	16%	19%	10%	11%	10%	10%	10%	11%
Additional Subsidized (not currently served)	-	-	515,000	387,000	108,000	246,000	764,000	573,000
Additional Subsidized (currently served)	-	-	204,000	204,000	54,000	123,000	214,000	214,000
Children moved out of poverty	-	-24,000	92,000	79,000	1,000	90,000	92,000	79,000
Expense ratio	34%	48%	24%	24%	38%	31%	20%	20%
% Families with 0 fees	89%	-	62%	65%	91%	82%	46%	50%
Expense ratio (any fees)	18%	-	17%	17%	21%	20%	14%	14%
% families above CSPP min	38%	-	72%	68%	53%	63%	76%	73%
Avg. hours needed above min	300	-	600	600	500	600	600	600
Cost (within age group)	\$6.96 Billion	\$7.80 Billion	\$3.41 Billion	\$4.09 Billion	\$5.84 Billion	\$4.70 Billion	\$2.84 Billion	\$3.68 Billion
<b>Children 0-2</b>								
Child poverty %	39%	40%	25%	29%	38%	25%	25%	29%
Deep child poverty %	16%	18%	7%	9%	7%	7%	7%	9%
Additional Subsidized (not currently served)	-	-	1,079,000	824,000	241,000	556,000	1,479,000	1,121,000
Additional Subsidized (currently served)	-	-	45,000	45,000	13,000	31,000	46,000	46,000
Children moved out of poverty	-	-23,000	210,000	157,000	6,000	208,000	210,000	157,000
Expense ratio	26%	47%	17%	18%	34%	23%	15%	16%
% Families with 0 fees	83%	-	56%	57%	92%	78%	42%	42%
Expense ratio (any fees)	14%	-	14%	15%	19%	17%	12%	12%
% families above CSPP min	22%	-	93%	91%	76%	88%	95%	94%
Avg. hours needed above min	500	-	700	700	700	700	700	700
Cost (within age group)	\$12.41 Billion	\$12.96 Billion	\$5.50 Billion	\$7.15 Billion	\$10.36 Billion	\$8.08 Billion	\$4.17 Billion	\$6.20 Billion

**TABLE E4**

Demographic subgroups estimates of children with a need for child care and served by existing programs

	Children 3-4		Children 0-2	
	Care for income eligible, working families	Full-time care for all children	Care for income eligible, working families	Full-time care for all children
<b>Family Composition</b>				
<b>One adult</b>				
Children in scope	95,000	118,000	106,000	144,000
Enrolled in existing programs	37,000	48,000	15,000	18,000
Children in age group	118,000		144,000	
<b>Two married or cohabiting adults</b>				
Children in scope	319,000	534,000	523,000	827,000
Enrolled in existing programs	50,000	88,000	19,000	33,000
Children in age group	534,000		827,000	
<b>Other family structure</b>				
Children in scope	183,000	375,000	283,000	609,000
Enrolled in existing programs	66,000	128,000	28,000	51,000
Children in age group	375,000	375,000	609,000	609,000
<b>Race/Ethnicity</b>				
<b>Latino</b>				
Children in scope	293,000	533,000	436,000	814,000
Enrolled in existing programs	97,000	172,000	37,000	61,000
Children in age group	533,000		814,000	
<b>White</b>				
Children in scope	167,000	262,000	265,000	408,000
Enrolled in existing programs	26,000	43,000	12,000	19,000
Children in age group	262,000		408,000	
<b>Other Race/Ethnicity</b>				
Children in scope	137,000	232,000	212,000	359,000
Enrolled in existing programs	30,000	48,000	14,000	22,000
Children in age group	232,000		359,000	

**TABLE E5**

Care for working families within demographic subgroups: baseline and expansion scenarios

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Child care costs determined using 2016 RMR for Licensed Child Care Centers, for 3-4 year olds	Actual subsidies assigned	No subsidies assigned	All income-eligible children assigned needed hours	75% of income-eligible children assigned needed hours	Children in deep poverty assigned needed hours	Children in poverty assigned needed hours	All children assigned needed hours	75% of children assigned needed hours
<b>Family composition</b>								
<b>One adult</b>								
Child poverty %	63%	68%	51%	53%	62%	51%	51%	53%
Deep child poverty %	28%	30%	21%	23%	21%	21%	21%	23%
Additional Subsidized (not currently served)	-	-	50,000	39,000	15,000	32,000	57,000	45,000
Additional Subsidized (currently served)	-	-	19,000	19,000	3,000	11,000	19,000	19,000
Children moved out of poverty	-	-5,000	14,000	12,000	1,000	14,000	14,000	12,000
<b>Two married or cohabiting adults</b>								
Child poverty %	19%	20%	17%	17%	19%	17%	17%	17%
Deep child poverty %	5%	6%	4%	4%	4%	4%	4%	4%
Additional Subsidized (not currently served)	-	-	118,000	90,000	8,000	30,000	270,000	200,000
Additional Subsidized (currently served)	-	-	19,000	19,000	2,000	8,000	24,000	24,000
Children moved out of poverty	-	-4,000	11,000	9,000	<1,000	10,000	11,000	9,000
<b>Other family structure</b>								
Child poverty %	27%	28%	25%	25%	27%	25%	25%	25%
Deep child poverty %	5%	6%	4%	4%	4%	4%	4%	4%
Additional Subsidized (not currently served)	-	-	95,000	69,000	6,000	22,000	117,000	86,000
Additional Subsidized (currently served)	-	-	27,000	27,000	2,000	8,000	28,000	28,000
Children moved out of poverty	-	-4,000	7,000	6,000	<1,000	8,000	7,000	6,000
<b>Race/Ethnicity</b>								
<b>Latino</b>								
Child poverty %	35%	37%	32%	32%	35%	32%	32%	32%

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Deep child poverty %	9%	11%	7%	8%	7%	7%	7%	8%
Additional Subsidized (not currently served)	-	-	154,000	112,000	18,000	53,000	196,000	143,000
Additional Subsidized (currently served)	-	-	45,000	45,000	6,000	20,000	47,000	47,000
Children moved out of poverty	-	-8,000	18,000	15,000	<1,000	17,000	18,000	15,000
<b>White</b>								
Child poverty %	16%	17%	14%	14%	15%	14%	14%	14%
Deep child poverty %	6%	6%	5%	5%	5%	5%	5%	5%
Additional Subsidized (not currently served)	-	-	57,000	44,000	6,000	14,000	141,000	106,000
Additional Subsidized (currently served)	-	-	8,000	8,000	<1,000	4,000	10,000	10,000
Children moved out of poverty	-	-3,000	5,000	5,000	<1,000	5,000	5,000	5,000
<b>Other race/ethnicity</b>								
Child poverty %	20%	22%	17%	17%	20%	17%	17%	17%
Deep child poverty %	6%	6%	5%	5%	5%	5%	5%	5%
Additional Subsidized (not currently served)	-	-	52,000	40,000	4,000	17,000	107,000	81,000
Additional Subsidized (currently served)	-	-	11,000	11,000	<1,000	4,000	14,000	14,000
Children moved out of poverty	-	-3,000	9,000	7,000	<1,000	9,000	9,000	7,000
<b>Child care costs determined using 2016 RMR for Licensed Child Care Centers, for 0-2 year olds</b>	<b>Actual subsidies assigned</b>	<b>No subsidies assigned</b>	<b>All income-eligible children assigned needed hours</b>	<b>75% of income-eligible children assigned needed hours</b>	<b>Children in deep poverty assigned needed hours</b>	<b>Children in poverty assigned needed hours</b>	<b>All children assigned needed hours</b>	<b>75% of children assigned needed hours</b>
<b>Family composition</b>								
<b>One adult</b>								
Child poverty %	75%	77%	53%	58%	71%	53%	53%	58%
Deep child poverty %	39%	39%	22%	27%	22%	22%	22%	27%
Additional Subsidized (not currently served)	-	-	87,000	66,000	36,000	67,000	91,000	70,000
Additional Subsidized (currently served)	-	-	4,000	4,000	1,000	2,000	4,000	4,000
Children moved out of poverty	-	-3,000	31,000	24,000	6,000	31,000	31,000	24,000
<b>Two Married or cohabiting adults</b>								

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Child poverty %	19%	20%	15%	16%	19%	15%	15%	16%
Deep child poverty %	5%	5%	3%	4%	3%	3%	3%	4%
Additional Subsidized (not currently served)	-	-	235,000	176,000	19,000	75,000	504,000	375,000
Additional Subsidized (currently served)	-	-	4,000	4,000	<1,000	3,000	4,000	4,000
Children moved out of poverty	-	-3,000	37,000	28,000	1,000	37,000	37,000	28,000
<b>Other family structure</b>								
Child poverty %	28%	29%	22%	24%	28%	22%	22%	24%
Deep child poverty %	6%	6%	4%	4%	4%	4%	4%	4%
Additional Subsidized (not currently served)	-	-	222,000	167,000	16,000	70,000	255,000	192,000
Additional Subsidized (currently served)	-	-	5,000	5,000	<1,000	2,000	5,000	5,000
Children moved out of poverty	-	-4,000	35,000	26,000	2,000	35,000	35,000	26,000
<b>Race/Ethnicity</b>								
<b>Latino</b>								
Child poverty %	36%	36%	28%	30%	35%	28%	28%	30%
Deep child poverty %	10%	10%	6%	7%	6%	6%	6%	7%
Additional Subsidized (not currently served)	-	-	326,000	243,000	46,000	137,000	399,000	297,000
Additional Subsidized (currently served)	-	-	9,000	9,000	1,000	5,000	9,000	9,000
Children moved out of poverty	-	-7,000	63,000	46,000	5,000	62,000	63,000	46,000
<b>White</b>								
Child poverty %	16%	16%	11%	12%	15%	11%	11%	12%
Deep child poverty %	5%	6%	3%	4%	4%	3%	3%	4%
Additional Subsidized (not currently served)	-	-	112,000	85,000	11,000	32,000	253,000	191,000
Additional Subsidized (currently served)	-	-	2,000	2,000	<1,000	1,000	2,000	2,000
Children moved out of poverty	-	-1,000	18,000	14,000	2,000	18,000	18,000	14,000
<b>Other race/ethnicity</b>								
Child poverty %	36%	38%	21%	25%	34%	21%	21%	25%
Deep child poverty %	19%	21%	7%	10%	7%	7%	7%	10%
Additional Subsidized (not currently served)	-	-	208,000	162,000	62,000	118,000	337,000	259,000

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Additional Subsidized (currently served)	-	-	8,000	8,000	3,000	5,000	8,000	8,000
Children moved out of poverty	-	-7,000	55,000	41,000	8,000	55,000	55,000	41,000

**TABLE E6**

Full-time care within demographic subgroups: baseline and expansion scenarios

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Child care costs determined using 2016 RMR for Licensed Child Care Centers, for 3-4 year olds	Actual subsidies assigned	No subsidies assigned	All income-eligible children assigned needed hours	75% of income-eligible children assigned needed hours	Children in deep poverty assigned needed hours	Children in poverty assigned needed hours	All children assigned needed hours	75% of children assigned needed hours
<b>Family composition</b>								
<b>One adult</b>								
Child poverty %	70%	75%	54%	56%	69%	55%	54%	56%
Deep child poverty %	41%	48%	31%	33%	31%	31%	31%	33%
Additional Subsidized (not currently served)	-	-	63,000	48,000	29,000	47,000	70,000	54,000
Additional Subsidized (currently served)	-	-	34,000	34,000	16,000	26,000	34,000	34,000
Children moved out of poverty	-	-6,000	18,000	16,000	1,000	18,000	18,000	16,000
<b>Two married or cohabiting adults</b>								
Child poverty %	34%	36%	26%	27%	34%	26%	26%	27%
Deep child poverty %	16%	18%	9%	10%	9%	9%	9%	10%
Additional Subsidized (not currently served)	-	-	241,000	183,000	61,000	124,000	446,000	336,000
Additional Subsidized (currently served)	-	-	69,000	69,000	24,000	50,000	76,000	76,000
Children moved out of poverty	-	-9,000	45,000	37,000	1,000	43,000	45,000	37,000
<b>Other family structure</b>								
Child poverty %	42%	45%	32%	34%	42%	32%	32%	34%
Deep child poverty %	19%	22%	11%	13%	11%	11%	11%	13%
Additional Subsidized (not currently served)	-	-	211,000	155,000	47,000	95,000	248,000	183,000
Additional Subsidized (currently served)	-	-	101,000	101,000	25,000	55,000	104,000	104,000

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Children moved out of poverty	-	-10,000	37,000	31,000	<1,000	37,000	37,000	31,000
<b>Race/Ethnicity</b>								
<b>Latino</b>								
Child poverty %	52%	55%	41%	43%	52%	41%	41%	43%
Deep child poverty %	27%	30%	16%	18%	16%	16%	16%	18%
Additional Subsidized (not currently served)	-	-	307,000	228,000	92,000	171,000	361,000	268,000
Additional Subsidized (currently served)	-	-	143,000	143,000	46,000	94,000	146,000	146,000
Children moved out of poverty	-	-15,000	61,000	52,000	1,000	59,000	61,000	52,000
<b>White</b>								
Child poverty %	27%	28%	20%	20%	26%	20%	20%	20%
Deep child poverty %	13%	14%	7%	7%	7%	7%	7%	7%
Additional Subsidized (not currently served)	-	-	107,000	81,000	22,000	47,000	219,000	164,000
Additional Subsidized (currently served)	-	-	29,000	29,000	10,000	18,000	32,000	32,000
Children moved out of poverty	-	-3,000	18,000	16,000	1,000	18,000	18,000	16,000
<b>Other race/ethnicity</b>								
Child poverty %	31%	34%	22%	24%	31%	23%	22%	24%
Deep child poverty %	14%	16%	8%	10%	8%	8%	8%	10%
Additional Subsidized (not currently served)	-	-	101,000	78,000	22,000	48,000	184,000	141,000
Additional Subsidized (currently served)	-	-	32,000	32,000	9,000	19,000	36,000	36,000
Children moved out of poverty	-	-7,000	21,000	17,000	<1,000	21,000	21,000	17,000
<b>Child care costs determined using 2016 RMR for Licensed Child Care Centers, for 0-2 year olds</b>	<b>Actual subsidies assigned</b>	<b>No subsidies assigned</b>	<b>All income-eligible children assigned needed hours</b>	<b>75% of income-eligible children assigned needed hours</b>	<b>Children in deep poverty assigned needed hours</b>	<b>Children in poverty assigned needed hours</b>	<b>All children assigned needed hours</b>	<b>75% of children assigned needed hours</b>
<b>Family composition</b>								
<b>One adult</b>								
Child poverty %	83%	87%	57%	63%	76%	57%	57%	63%
Deep child poverty %	59%	64%	30%	38%	30%	30%	30%	38%

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Additional Subsidized (not currently served)	-	-	122,000	94,000	79,000	107,000	126,000	97,000
Additional Subsidized (currently served)	-	-	8,000	8,000	4,000	6,000	8,000	8,000
Children moved out of poverty	-	-6,000	36,000	28,000	9,000	36,000	36,000	28,000
<b>Two married or cohabiting adults</b>	83%	87%	57%	63%	76%	57%	57%	63%
Child poverty %	35%	36%	20%	24%	33%	20%	20%	24%
Deep child poverty %	17%	19%	5%	8%	5%	5%	5%	8%
Additional Subsidized (not currently served)	-	-	456,000	346,000	136,000	265,000	795,000	595,000
Additional Subsidized (currently served)	-	-	18,000	18,000	8,000	15,000	18,000	18,000
Children moved out of poverty	-	-8,000	124,000	89,000	17,000	122,000	124,000	89,000
<b>Other family structure</b>								
Child poverty %	48%	50%	27%	32%	45%	27%	27%	32%
Deep child poverty %	22%	25%	7%	10%	7%	7%	7%	10%
Additional Subsidized (not currently served)	-	-	501,000	384,000	131,000	271,000	558,000	429,000
Additional Subsidized (currently served)	-	-	20,000	20,000	4,000	12,000	21,000	21,000
Children moved out of poverty	-	-13,000	126,000	95,000	16,000	126,000	126,000	95,000
<b>Race/Ethnicity</b>								
<b>Latino</b>								
Child poverty %	56%	58%	35%	40%	53%	35%	35%	40%
Deep child poverty %	30%	33%	10%	15%	10%	10%	10%	15%
Additional Subsidized (not currently served)	-	-	663,000	501,000	232,000	423,000	752,000	566,000
Additional Subsidized (currently served)	-	-	30,000	30,000	11,000	23,000	31,000	31,000
Children moved out of poverty	-	-15,000	178,000	132,000	26,000	176,000	178,000	132,000
<b>White</b>								
Child poverty %	27%	28%	14%	17%	25%	14%	14%	17%
Deep child poverty %	13%	14%	5%	7%	5%	5%	5%	7%
Additional Subsidized (not currently served)	-	-	208,000	161,000	51,000	102,000	389,000	296,000
Additional Subsidized (currently served)	-	-	7,000	7,000	2,000	5,000	7,000	7,000
Children moved out of poverty	-	-5,000	53,000	39,000	8,000	53,000	53,000	39,000

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Other race/ethnicity</b>								
Child poverty %	36%	38%	21%	25%	34%	21%	21%	25%
Deep child poverty %	19%	21%	7%	10%	7%	7%	7%	10%
Additional Subsidized (not currently served)	-	-	208,000	162,000	62,000	118,000	337,000	259,000
Additional Subsidized (currently served)	-	-	8,000	8,000	3,000	5,000	8,000	8,000
Children moved out of poverty	-	-7,000	55,000	41,000	8,000	55,000	55,000	41,000

**TABLE E7**

Regional estimates of children with a need for child care and served by existing programs

	Children 3-4		Children 0-2	
	Care for income eligible, working families	Full-time care for all children	Care for income eligible, working families	Full-time care for all children
<b>Northern region and Sacramento Area</b>				
Children in scope	51,000	84,000	83,000	133,000
Enrolled in existing programs	15,000	25,000	7,000	13,000
Children in age group	84,000		133,000	
<b>Bay Area</b>				
Children in scope	116,000	189,000	179,000	285,000
Enrolled in existing programs	23,000	37,000	10,000	15,000
Children in age group	189,000		285,000	
<b>Central Valley, Sierra, and Central Coast</b>				
Children in scope	105,000	174,000	144,000	262,000
Enrolled in existing programs	32,000	51,000	12,000	21,000
Children in age group	174,000		262,000	
<b>Inland Empire</b>				
Children in scope	90,000	164,000	131,000	237,000
Enrolled in existing programs	21,000	39,000	7,000	10,000
Children in age group	164,000		237,000	
<b>Los Angeles County</b>				
Children in scope	140,000	257,000	219,000	403,000
Enrolled in existing programs	41,000	77,000	18,000	30,000
Children in age group	257,000		403,000	
<b>Orange County</b>				
Children in scope	42,000	76,000	71,000	120,000
Enrolled in existing programs	7,000	15,000	2,000	4,000
Children in age group	76,222		120,000	
<b>San Diego County</b>				
Children in scope	52,000	84,000	84,000	140,000
Enrolled in existing programs	14,000	20,000	6,000	9,000
Children in age group	84,000		140,000	

**TABLE E8**

Care for working families within regions: baseline and expansion scenarios

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Child care costs determined using 2016 RMR for Licensed Child Care Centers, for 3-4 year olds	Actual subsidies assigned	No subsidies assigned	All income-eligible children assigned needed hours	75% of income-eligible children assigned needed hours	Children in deep poverty assigned needed hours	Children in poverty assigned needed hours	All children assigned needed hours	75% of children assigned needed hours
<b>Northern region and Sacramento Area</b>								
Child poverty %	25%	28%	21%	21%	25%	21%	21%	21%
Deep child poverty %	7%	8%	6%	6%	6%	6%	6%	6%
Additional Subsidized (not currently served)	-	-	21,000	15,000	<1,000	5,000	35,000	26,000
Additional Subsidized (currently served)	-	-	7,000	7,000	<1,000	3,000	7,000	7,000
Children moved out of poverty	-	-2,000	4,000	3,000	<1,000	4,000	4,000	3,000
<b>Bay Area</b>								
Child poverty %	21%	23%	19%	20%	21%	19%	19%	20%
Deep child poverty %	7%	8%	5%	6%	5%	5%	5%	6%
Additional Subsidized (not currently served)	-	-	35,000	26,000	6,000	13,000	93,000	69,000
Additional Subsidized (currently served)	-	-	8,000	8,000	<1,000	3,000	10,000	10,000
Children moved out of poverty	-	-2,000	4,000	3,000	0	4,000	4,000	3,000
<b>Central Valley, Sierra, and Central Coast</b>								
Child poverty %	26%	28%	23%	23%	26%	23%	23%	23%
Deep child poverty %	8%	9%	6%	6%	6%	6%	6%	6%
Additional Subsidized (not currently served)	-	-	57,000	41,000	5,000	15,000	73,000	53,000
Additional Subsidized (currently served)	-	-	14,000	14,000	2,000	6,000	16,000	16,000
Children moved out of poverty	-	-2,000	6,000	5,000	0	6,000	6,000	5,000
<b>Inland Empire</b>								
Child poverty %	24%	24%	21%	22%	24%	21%	21%	22%
Deep child poverty %	7%	7%	5%	6%	5%	5%	5%	6%
Additional Subsidized (not currently served)	-	-	50,000	39,000	6,000	13,000	69,000	53,000

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Additional Subsidized (currently served)	-	-	10,000	10,000	<1,000	3,000	11,000	11,000
Children moved out of poverty	-	>-1000 and <-	4,000	4,000	<1,000	4,000	4,000	4,000
<b>Los Angeles County</b>								
Child poverty %	32%	34%	29%	30%	32%	29%	29%	30%
Deep child poverty %	9%	10%	7%	7%	7%	7%	7%	7%
Additional Subsidized (not currently served)	-	-	61,000	46,000	7,000	22,000	99,000	75,000
Additional Subsidized (currently served)	-	-	16,000	16,000	2,000	8,000	18,000	18,000
Children moved out of poverty	-	-5,000	8,000	7,000	0	9,000	8,000	7,000
<b>Orange County</b>								
Child poverty %	27%	28%	24%	25%	26%	24%	24%	25%
Deep child poverty %	7%	8%	6%	6%	6%	6%	6%	6%
Additional Subsidized (not currently served)	-	-	19,000	15,000	2,000	7,000	36,000	26,000
Additional Subsidized (currently served)	-	-	2,000	2,000	<1,000	1,000	3,000	3,000
Children moved out of poverty	-	>-1000 and <0	<1,000	<1,000	<1,000	<1,000	<1,000	<1,000
<b>San Diego County</b>								
Child poverty %	31%	32%	27%	28%	31%	27%	27%	28%
Deep child poverty %	9%	9%	7%	7%	7%	7%	7%	7%
Additional Subsidized (not currently served)	-	-	20,000	15,000	3,000	9,000	39,000	28,000
Additional Subsidized (currently served)	-	-	6,000	6,000	<1,000	2,000	7,000	7,000
Children moved out of poverty	-	>-1000 and <0	4,000	3,000	<1,000	4,000	4,000	3,000
<b>Child care costs determined using 2016 RMR for Licensed Child Care Centers, for 0-2 year olds</b>	<b>Actual subsidies assigned</b>	<b>No subsidies assigned</b>	<b>All income-eligible children assigned needed hours</b>	<b>75% of income-eligible children assigned needed hours</b>	<b>Children in deep poverty assigned needed hours</b>	<b>Children in poverty assigned needed hours</b>	<b>All children assigned needed hours</b>	<b>75% of children assigned needed hours</b>
<b>Northern region and Sacramento Area</b>								
Child poverty %	26%	27%	19%	20%	25%	19%	19%	20%
Deep child poverty %	8%	9%	6%	6%	6%	6%	6%	6%
Additional Subsidized (not currently served)	-	-	52,000	40,000	5,000	17,000	76,000	56,000

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Additional Subsidized (currently served)	-	-	2,000	2,000	<1,000	<1,000	2,000	2,000
Children moved out of poverty	-	>-1000 and <0	9,000	8,000	1,000	9,000	9,000	8,000
<b>Bay Area</b>								
Child poverty %	22%	23%	17%	19%	22%	17%	17%	19%
Deep child poverty %	8%	8%	4%	5%	4%	4%	4%	5%
Additional Subsidized (not currently served)	-	-	76,000	57,000	14,000	35,000	170,000	127,000
Additional Subsidized (currently served)	-	-	<1,000	<1,000	<1,000	<1,000	<1,000	<1,000
Children moved out of poverty	-	>-1000 and <-	15,000	10,000	1,000	14,000	15,000	10,000
<b>Central Valley, Sierra and Central Coast</b>								
Child poverty %	27%	28%	21%	23%	27%	21%	21%	23%
Deep child poverty %	8%	8%	5%	6%	5%	5%	5%	6%
Additional Subsidized (not currently served)	-	-	105,000	75,000	10,000	33,000	132,000	94,000
Additional Subsidized (currently served)	-	-	2,000	2,000	<1,000	1,000	2,000	2,000
Children moved out of poverty	-	-2,000	17,000	11,000	1,000	17,000	17,000	11,000
<b>Inland Empire</b>								
Child poverty %	25%	26%	18%	20%	24%	18%	18%	20%
Deep child poverty %	8%	8%	4%	6%	4%	4%	4%	6%
Additional Subsidized (not currently served)	-	-	95,000	73,000	12,000	34,000	124,000	94,000
Additional Subsidized (currently served)	-	-	1,000	1,000	<1,000	<1,000	1,000	1,000
Children moved out of poverty	-	-1,000	18,000	13,000	3,000	18,000	18,000	13,000
<b>Los Angeles County</b>								
Child poverty %	34%	34%	27%	28%	33%	27%	27%	28%
Deep child poverty %	10%	10%	5%	7%	5%	5%	5%	7%
Additional Subsidized (not currently served)	-	-	132,000	99,000	21,000	58,000	201,000	152,000
Additional Subsidized (currently served)	-	-	4,000	4,000	1,000	3,000	4,000	4,000
Children moved out of poverty	-	-2,000	29,000	22,000	3,000	29,000	29,000	22,000
<b>Orange County</b>								
Child poverty %	28%	28%	22%	22%	28%	22%	22%	22%

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Deep child poverty %	7%	7%	5%	5%	5%	5%	5%	5%
Additional Subsidized (not currently served)	-	-	38,000	29,000	3,000	16,000	69,000	53,000
Additional Subsidized (currently served)	-	-	<1,000	<1,000	<1,000	<1,000	<1,000	<1,000
Children moved out of poverty	-	>-1000 and <-	7,000	6,000	0	7,000	7,000	6,000
<b>San Diego County*</b>								
Child poverty %	29%	29%	23%	24%	29%	23%	23%	24%
Deep child poverty %	7%	8%	5%	5%	5%	5%	5%	5%
Additional Subsidized (not currently served)	-	-	46,000	37,000	5,000	19,000	79,000	62,000
Additional Subsidized (currently served)	-	-	2,000	2,000	<1,000	1,000	2,000	2,000
Children moved out of poverty	-	<1,000 <sup>1</sup>	9,000	7,000	<1,000	8,000	9,000	7,000

\*Estimates indicate that for children 0-2 in San Diego County, zeroing-out existing programs moves some working families out of poverty. This is because, in some instances, program fees outweigh the cost reduction of child care for families that work part-time.

**TABLE E9**

Full-time care within regions: baseline and expansion scenarios

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Child care costs determined using 2016 RMR for Licensed Child Care Centers, for 3-4 year olds	Actual subsidies assigned	No subsidies assigned	All income-eligible children assigned needed hours	75% of income-eligible children assigned needed hours	Children in deep poverty assigned needed hours	Children in poverty assigned needed hours	All children assigned needed hours	75% of children assigned needed hours
<b>Northern region and Sacramento Area</b>								
Child poverty %	44%	46%	32%	33%	44%	33%	32%	33%
Deep child poverty %	20%	23%	12%	13%	12%	12%	12%	13%
Additional Subsidized (not currently served)	-	-	41,000	31,000	10,000	21,000	59,000	44,000
Additional Subsidized (currently served)	-	-	19,000	19,000	6,000	14,000	19,000	19,000
Children moved out of poverty	-	-2,000	10,000	9,000	0	10,000	10,000	9,000
<b>Bay Area</b>								
Child poverty %	30%	32%	23%	24%	30%	24%	23%	24%
Deep child poverty %	16%	18%	9%	10%	9%	9%	9%	10%
Additional Subsidized (not currently served)	-	-	65,000	50,000	21,000	36,000	152,000	114,000
Additional Subsidized (currently served)	-	-	27,000	27,000	9,000	17,000	30,000	30,000
Children moved out of poverty	-	-3,000	13,000	12,000	1,000	12,000	13,000	12,000
<b>Central Valley, Sierra, and Central Coast</b>								
Child poverty %	44%	48%	31%	33%	44%	32%	31%	33%
Deep child poverty %	20%	24%	13%	14%	13%	13%	13%	14%
Additional Subsidized (not currently served)	-	-	102,000	75,000	23,000	50,000	122,000	91,000
Additional Subsidized (currently served)	-	-	40,000	40,000	11,000	23,000	42,000	42,000
Children moved out of poverty	-	-6,000	23,000	19,000	1,000	22,000	23,000	19,000
<b>Inland Empire</b>								
Child poverty %	39%	41%	31%	32%	38%	31%	31%	32%
Deep child poverty %	19%	20%	12%	13%	12%	12%	12%	13%
Additional Subsidized (not currently served)	-	-	101,000	77,000	21,000	44,000	126,000	96,000

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Additional Subsidized (currently served)	-	-	31,000	31,000	9,000	17,000	32,000	32,000
Children moved out of poverty	-	-4,000	14,000	11,000	<1,000	14,000	14,000	11,000
<b>Los Angeles County</b>								
Child poverty %	47%	50%	36%	38%	46%	36%	36%	38%
Deep child poverty %	23%	26%	14%	16%	14%	14%	14%	16%
Additional Subsidized (not currently served)	-	-	128,000	94,000	36,000	72,000	180,000	132,000
Additional Subsidized (currently served)	-	-	60,000	60,000	21,000	41,000	63,000	63,000
Children moved out of poverty	-	-8,000	27,000	21,000	1,000	26,000	27,000	21,000
<b>Orange County</b>								
Child poverty %	40%	41%	33%	34%	40%	33%	33%	34%
Deep child poverty %	20%	23%	11%	13%	11%	11%	11%	13%
Additional Subsidized (not currently served)	-	-	37,000	30,000	10,000	20,000	62,000	48,000
Additional Subsidized (currently served)	-	-	12,000	12,000	4,000	9,000	13,000	13,000
Children moved out of poverty	-	-1,000	6,000	5,000	0	6,000	6,000	5,000
<b>San Diego County</b>								
Child poverty %	44%	45%	33%	33%	44%	33%	33%	33%
Deep child poverty %	23%	24%	13%	17%	13%	13%	13%	17%
Additional Subsidized (not currently served)	-	-	40,000	30,000	14,000	24,000	64,000	47,000
Additional Subsidized (currently served)	-	-	15,000	15,000	4,000	10,000	16,000	16,000
Children moved out of poverty	-	-1,000	9,000	8,000	0	9,000	9,000	8,000
<b>Child care costs determined using 2016 RMR for Licensed Child Care Centers, for 0-2 year olds</b>	<b>Actual subsidies assigned</b>	<b>No subsidies assigned</b>	<b>All income-eligible children assigned needed hours</b>	<b>75% of income-eligible children assigned needed hours</b>	<b>Children in deep poverty assigned needed hours</b>	<b>Children in poverty assigned needed hours</b>	<b>All children assigned needed hours</b>	<b>75% of children assigned needed hours</b>
<b>Northern region and Sacramento Area</b>								
Child poverty %	42%	45%	25%	30%	40%	25%	25%	30%
Deep child poverty %	23%	25%	8%	12%	8%	8%	8%	12%
Additional Subsidized (not currently served)	-	-	91,000	68,000	28,000	50,000	120,000	89,000

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Additional Subsidized (currently served)	-	-	6,000	6,000	2,000	3,000	6,000	6,000
Children moved out of poverty	-	-4,000	22,000	16,000	3,000	22,000	22,000	16,000
<b>Bay Area</b>								
Child poverty %	33%	35%	21%	24%	31%	21%	21%	24%
Deep child poverty %	19%	20%	6%	10%	6%	6%	6%	10%
Additional Subsidized (not currently served)	-	-	139000	107000	50000	87000	270000	205000
Additional Subsidized (currently served)	-	-	5000	5000	3000	4000	6000	6000
Children moved out of poverty	-	-4,000	34,000	27,000	5,000	34,000	34,000	27,000
<b>Central Valley, Sierra, and Central Coast</b>								
Child poverty %	49%	51%	27%	32%	46%	27%	27%	32%
Deep child poverty %	25%	27%	9%	13%	9%	9%	9%	13%
Additional Subsidized (not currently served)	-	-	208,000	154,000	61,000	116,000	241,000	177,000
Additional Subsidized (currently served)	-	-	10,000	10,000	2,000	7,000	10,000	10,000
Children moved out of poverty	-	-7,000	58,000	42,000	8,000	57,000	58,000	42,000
<b>Inland Empire</b>								
Child poverty %	44%	46%	23%	29%	41%	23%	23%	29%
Deep child poverty %	20%	22%	7%	10%	7%	7%	7%	10%
Additional Subsidized (not currently served)	-	-	191,000	147,000	46,000	100,000	226,000	173,000
Additional Subsidized (currently served)	-	-	3,000	3,000	<1,000	2,000	3,000	3,000
Children moved out of poverty	-	-4,000	50,000	36,000	7,000	50,000	50,000	36,000
<b>Los Angeles County</b>								
Child poverty %	51%	53%	32%	37%	48%	32%	32%	37%
Deep child poverty %	28%	31%	9%	14%	9%	9%	9%	14%
Additional Subsidized (not currently served)	-	-	285,000	216,000	106,000	187,000	373,000	282,000
Additional Subsidized (currently served)	-	-	14,000	14,000	6,000	12,000	14,000	14,000
Children moved out of poverty	-	-6,000	80,000	58,000	15,000	80,000	80,000	58,000
<b>Orange County</b>								
Child poverty %	40%	41%	25%	28%	38%	25%	25%	28%

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Deep child poverty %	20%	21%	7%	10%	7%	7%	7%	10%
Additional Subsidized (not currently served)	0	0	75,000	59,000	23,000	46,000	116,000	92,000
Additional Subsidized (currently served)	0	0	2,000	2,000	<1,000	2,000	2,000	2,000
Children moved out of poverty	0	>-1000 and <0	18,000	14,000	2,000	18,000	18,000	14,000
<b>San Diego County</b>								
Child poverty %	45%	46%	28%	31%	43%	28%	28%	31%
Deep child poverty %	24%	26%	8%	12%	8%	8%	8%	12%
Additional Subsidized (not currently served)	0	0	91,000	73,000	32,000	57,000	131,000	103,000
Additional Subsidized (currently served)	0	0	5,000	5,000	2,000	3,000	5,000	5,000
Children moved out of poverty	0	>-1000 and <0	23,000	19,000	2,000	23,000	23,000	19,000



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