

# Streamlining Eligibility for Child Care Subsidies in California



## KNOWLEDGE BRIEF

### Introduction

In 2019, roughly 2 million of California's children under the age of 12 were from families with incomes that made them eligible for California's child care assistance programs. However, these programs only supported approximately 443,000 of these children.<sup>1,2</sup> Although not all of these families need access to child care—because, for example, they have support from a parent or caregiver or are able to make informal arrangements—many continue waiting to receive a subsidy.

California provided about \$5.3 billion to support the child care system in 2019; the federal Head Start program spent another \$1.3 billion in California.<sup>3</sup> Despite this significant investment, many more children are eligible for a child care subsidy than are served.

Some families are not able to access subsidies due to the unavailability of providers and programs that meet their needs (e.g., hours or location of care, language, and special needs). Administrative complexities additionally make it difficult for families to navigate the

- 1 This number includes roughly 90,000 children in federal and tribal Head Start programs, 29,000 children in CalWORKs Stage 1, and 324,000 children in other state child care assistance programs: CalWORKs Stage 2, CalWORKs Stage 3, Alternative Payment, General Child Care and Development (CCTR), Family Child Care Home Education Networks (FCCHENS), and full-day and half-day California State Preschool Programs. See detailed program estimates in the California Department of Education Children and Families in Subsidized Child Care Fact Sheet: Data from October 2019; the California Department of Social Services 2019 Child Care Monthly Report: CalWORKs Families (<https://www.cdss.ca.gov/inforesources/research-and-data/calworks-data-tables/cw-115>); and the U.S. Department of Health and Human Services Annual Federal Funding and Funded Enrollment by State, 2019 (<https://eclkc.ohs.acf.hhs.gov/about-us/article/head-start-program-facts-fiscal-year-2019>).
- 2 Income-eligible families earn less than 70 percent of the state median income, or SMI (which, for a family of four, was \$69,853, or about 267 percent above the federal poverty line in 2020).
- 3 This number includes state and federal funding to the state such as the Child Care Development Block Grant, CalWORKs Stages 1-3, and state preschools but excludes federal spending on Head Start programs. See more information at <http://childcarelaw.org/wp-content/uploads/2019/09/Child-Care-Law-Center-2019-20-California-Budget-Analysis.pdf>.

system. Eligible families receiving other public benefits have to separately apply for child care assistance. As California works to expand access to early learning opportunities, existing barriers that affect those who are currently eligible will need to be remedied.

This brief builds upon recommendations in the California Assembly Blue Ribbon Commission on Early Childhood Education Final Report and input from parents who were engaged by the Master Plan team before and after the onset of the COVID-19 pandemic.<sup>4</sup> Both of these sources indicate that parents and caregivers face tremendous administrative barriers as they access child care subsidies, especially populations that are systematically excluded from opportunity based on their race and ethnicity, poverty, language, immigration, and disability status. Although this brief does not address all systemic factors that lead to the socioeconomic disadvantages California families experience (such as structural racism), it centers on addressing administrative barriers for these families and children as a way to increase equity in access to child care assistance programs.

Current administrative structures can affect access to child care assistance among income-eligible families.<sup>5</sup> Most child care assistance is not guaranteed, and when the demand for such care exceeds available funds, eligible families do not receive subsidies, making it challenging to juggle child care needs and

work. In some cases, these families are placed on a wait list. Furthermore, the current child care system does not automatically connect families receiving other public assistance to child care programs when eligibility criteria may already be verified by other programs. Currently, only families receiving California Work Opportunity and Responsibility to Kids (CalWORKs), a public assistance program that provides cash aid and welfare-to-work services to eligible families that have a child or children in the home, are guaranteed child care benefits. The program serves all 58 counties in the state and is operated locally by county welfare departments.

A large body of literature has consistently identified poverty, or deep poverty, as one of the most salient predictors of poor developmental outcomes, and that those outcomes worsen with additional socioeconomic disadvantages or developmental risks.<sup>6</sup> Therefore, it is imperative to focus limited child care resources on eligible families with additional disadvantages or risk factors.

References to developmental outcomes throughout this brief include a broad range of behavioral, psychological, and cognitive outcomes that emerge in early childhood, middle childhood, and adolescence. A developmental risk is defined as higher statistics (percentages, means, etc.) of an adverse developmental outcome among the population, with the risk factor relative to comparable populations without the risk factor,

4 The Blue Ribbon Commission report is available at <https://speaker.asmdc.org/sites/speaker.asmdc.org/files/pdf/BRC-Final-Report.pdf>; the Master Plan for Early Learning and Care: California for All Kids can be found at <https://www.chhs.ca.gov/home/master-plan-for-early-learning-and-care/>.

5 In this brief, we consider only child care assistance programs for which the state has the authority to determine eligibility and that require recipients to have a family income below 70 percent of the SMI.

6 See the following two articles for more discussion about the mechanism for the effect of poverty on child developmental outcomes: Chaudry, A., & Wimer, C. (2016). Poverty is not just an indicator: The relationship between income, poverty, and child well-being. *Academic Pediatrics*, 16 (3, Supplement), S23–S29. <https://doi.org/10.1016/j.acap.2015.12.010>; Engle, P., & Black, M. (2008). The effect of poverty on child development and educational outcomes. *Annals of the New York Academy of Sciences*, 1136(1), 243–256. <https://doi.org/10.1196/annals.1425.023>

such as maternal depression, domestic violence, and substance use.<sup>7</sup> Socioeconomic disadvantages are characteristics of a person that the current U.S. social and economic systems generally treat unfavorably. Characteristics such as race, ethnicity, immigration status, or primary language can put individuals at a socioeconomic disadvantage.

Child care assistance programs may consider adopting policies such as presumptive, categorical, and extended eligibility, prioritization, or entitlements to reduce administrative burden and increase child care access for children and families that have developmental risks or socioeconomic disadvantages. Such policies have been implemented in other government programs, which this brief uses to explain how the policies may be applied to child care programs. This brief ends with a discussion of policy implications for children and families.

## Key Concepts

### **Presumptive, Categorical, Extended Eligibility, and Entitlement**

As we work to elevate the importance of achieving greater equity, ensuring that children and families eligible for support receive such care is of utmost importance. Administrative burdens and a compliance-focused culture<sup>8</sup> are barriers to accessing child care for families.

Presumptive eligibility allows for expediting enrollment in a child care program that a family may be eligible for. Applicants who appear eligible for assistance are given temporary eligibility and instructions for completing full applications by a later date. Examples of presumptive eligibility in action include the State Children's Health Insurance Program (SCHIP) and Medicaid; in these programs, states have the option to offer immediate insurance coverage to individuals experiencing poverty and seeking health care.

Categorical eligibility confers eligibility to participants of other public assistance programs. For example, Supplemental Security Income (SSI) recipients are categorically eligible for CalFresh benefits. This means that they do not have to separately pass CalFresh's asset or income test to qualify for CalFresh. Instead, they apply or recertify for CalFresh and SSI at the same time. In contrast, eligibility for child care assistance requires that potential recipients demonstrate a need for child care, such as employment. California could either revise this need requirement and grant categorical eligibility to recipients of public assistance programs that have similar or lower income thresholds, or presume eligibility for public assistance participants and collect standard eligibility documents later.

Extended eligibility is defined as an extended period of eligibility for children who would otherwise lose categorical eligibility due to status

7 Bagner, D. M., Pettit, J. W., Lewinsohn, P. M., & Seeley, J. R. (2010). Effect of maternal depression on child behavior: A sensitive period? *Journal of the American Academy of Child & Adolescent Psychiatry*, 49(7), 699–707. <https://doi.org/10.1016/j.jaac.2010.03.012>; Moylan, C. A., Herrenkohl, T. I., Sousa, C., Tajima, E. A., Herrenkohl, R. C., & Russo, M. J. (2010). The effects of child abuse and exposure to domestic violence on adolescent internalizing and externalizing behavior problems. *Journal of Family Violence*, 25(1), 53–63. <https://doi.org/10.1007/s10896-009-9269-9>; Yule, A. M., Wilens, T. E., Martelon, M. K., Simon, A., & Biederman, J. (2013). Does exposure to parental substance use disorders increase substance use disorder risk in offspring? A 5-year follow-up study. *The American Journal on Addictions*, 22(5), 460–465. <https://doi.org/10.1111/j.1521-0391.2013.12048.x>

8 See the California Assembly Blue Ribbon Commission on Early Childhood Education Final Report: <https://speaker.asmdc.org/sites/speaker.asmdc.org/files/pdf/BRC-Final-Report.pdf>.

change.<sup>9</sup> For example, currently, children involved in child welfare are categorically eligible for child care subsidies. Without an extension of eligibility, these children may lose access at recertification (currently, 12 months since the last certification) when they are no longer involved in the system, such as adoption. This mechanism allows a child or family to become stable before eligibility ends.

Entitlement is the right to benefits when all eligibility criteria are met.<sup>10</sup> Medicaid is an example of an entitlement program, whereas child care assistance is not.<sup>11</sup> Both full eligibility and presumptive eligibility in Medicaid guarantee that health care received is covered, although coverage may end for presumptively eligible families that do not submit a full application at a later time. Presumptive eligibility has been shown to increase Medicaid enrollment and health care utilization over time.<sup>12</sup> In contrast, presumptive and categorical eligibility for a non-entitlement child care assistance program can facilitate program enrollment, but actual benefit receipt will depend on funding availability.

## Prioritization

Presumptive and categorical eligibility are expected to increase awareness and enrollment, whereas prioritization would move certain eligible families to the top of the wait list and increase their likelihood of actual benefit receipt. If no entitlement is in place, then explicit program rules about benefit prioritization—and robust implementation—are essential in allocating scarce child care resources to the identified families at risk. California currently prioritizes children experiencing homelessness, in protective services, or who have been identified as being abused, neglected, or exploited, or are at risk of being abused, neglected, or exploited.<sup>13</sup>

## California Context and Approach to Streamlining Eligibility

This section describes approaches to targeting child care assistance for populations experiencing poverty or that are at risk of experiencing poverty. It offers considerations for eligibility and prioritization criteria to better address access to child care

- 
- 9 The definition used in this brief for extended eligibility is narrower than what typically appears in the literature. For the purposes of the brief, extended eligibility is tied to the termination of categorical eligibility. In contrast, the public benefits literature often refers to extended eligibility as applying to eligibility conferred to groups who would not be covered otherwise; for example: Meyer, B. D., & Wherry, L. R. (2012). *Saving teens: Using a policy discontinuity to estimate the effects of Medicaid eligibility* (NBER Working Paper No. 18309). Cambridge, MA: National Bureau of Economic Research.
- 10 See the definition for an entitlement program by the U.S. Senate ([https://www.senate.gov/reference/glossary\\_term/entitlement.htm](https://www.senate.gov/reference/glossary_term/entitlement.htm)): “A Federal program or provision of law that requires payments to any person or unit of government that meets the eligibility criteria established by law. Entitlements constitute a binding obligation on the part of the Federal Government, and eligible recipients have legal recourse if the obligation is not fulfilled. Social Security and veterans’ compensation and pensions are examples of entitlement programs.”
- 11 As described earlier, CalWORKs participants with child care needs are entitled to child care assistance, but the CalWORKs program itself is not an entitlement program. That is, benefits and services are provided within the limit of the federal Temporary Assistance for Needy Families (TANF) block grant to the state. Additionally, with stringent requirements and time limits, CalWORKs’ caseload rarely changes with the economy.
- 12 Jarlenski, M., Bleich, S. N., Bennett, W. L., Stuart, E. A., & Barry, C. L. (2014). Medicaid enrollment policy increased smoking cessation among pregnant women but had no impact on birth outcomes. *Health Affairs*, 33(6), 997–1005. <https://doi.org/10.1377/hlthaff.2013.1167>; Piper, J. M., Mitchel, E. F., & Ray, W. A. (1994). Presumptive eligibility for pregnant Medicaid enrollees: Its effects on prenatal care and perinatal outcome. *American Journal of Public Health*, 84(10), 1626–1630. <https://doi.org/10.2105/AJPH.84.10.1626>
- 13 Child Care and Development Services Act. California Education Code § 8263 et seq. (2019).

subsidies. Specifically, it considers categorical eligibility, presumptive eligibility, extended eligibility, and prioritization for various groups (see Tables 1 and 2).

Making changes to the eligibility criteria and approach for services can support the broader goal of addressing the impacts of persistent and deep poverty and more finely tuning how children access care. Based on prior studies on children living in persistent and deep poverty, there are significant opportunities to improve access by providing:

1. categorical eligibility to those who are clearly low-income and need child care; for example, most homeless families are low-income and are in constant search for housing;
2. categorical or presumptive eligibility for those whose low-income status can be verified by the public assistance program they participate in and for whom there is evidence of child care need;
3. presumptive eligibility only to participants in programs with a higher income threshold or no income threshold, as the state will presume both income eligibility and child care needs;
4. prioritization for children who are socioeconomically disadvantaged or at higher developmental risk, in addition to poverty;
5. extended eligibility to children who have experienced unusual, harmful, and high levels of toxic stress, such as homelessness. Additional 12-month eligibility is recommended for these children when they exit the initial categorical eligibility status.

Providing categorical eligibility for families listed in group 2 will entail a change to child care program rules about documentation required for demonstrating income and child care needs. The state will then ensure that the new procedures in place address the federal Child Care and Development Fund (CCDF) requirements for demonstration of needs for child care. Both categorical and presumptive eligibility are expected to increase the number of families signing up for child care benefits and the number of families placed on wait lists. We recommend that the state develop an implementation plan to serve priority groups and to determine the associated costs.

Our analysis of eligibility policies starts with populations eligible for major public assistance programs, followed by other at risk groups that child care assistance programs could also target. Finally, we conclude with implementation and outreach strategies. This brief does not include CalWORKs Stage 1 because this program currently provides child care assistance to all CalWORKs participants who need child care.

Table 1. Considerations for Eligibility and Prioritization Criteria to Address Access to Child Care Subsidies — Public Assistance Programs

Public Assistance Programs	Categorical Eligibility <sup>14</sup>	Presumptive Eligibility <sup>15</sup>	Extended Eligibility	Prioritization <sup>16</sup>
CalFresh	✓	✓		
Medi-Cal	✓	✓		
Women, Infants, and Children (WIC)	✓	✓		✓
<b>Housing programs and hardships</b>				
a. Housing Assistance (HA)		✓		
b. Children experiencing homelessness	✓*		✓	✓
c. Families with extremely low incomes				✓
Supplemental Security Income (SSI)	✓	✓		✓
<b>Immigrant programs and groups</b>				
a. Cash Assistance Program for Immigrants (CAPI)	✓	✓		✓
b. Migrant Education		✓		✓
c. Refugees		✓		✓
The federal Earned Income Tax Credit (EITC) and CalEITC	✓	✓		

Note: A check mark [✓] means for consideration.

14 Tables 1 and 2 summarize key policy considerations, instead of specific proposals. We recommend that the state engage stakeholders to decide which policy to implement and how (detailed procedures are needed). For example, to implement categorical eligibility—that is, treat program participation status as meeting both the income and need requirements for a child care subsidy—the state may revisit the need requirement; alternatively, the state may presume eligibility first and require standard applications later. Therefore, when both categorical eligibility and presumptive eligibility are checked in Tables 1 and 2, the state may consider one of the policies and involve stakeholders in its decision-making.

15 Presumptive eligibility streamlines the application process and increases access but does not imply a change to the final income test as currently conducted in child care assistance programs (see the definition in its section).

16 California currently prioritizes children experiencing homelessness, in protective services, or who have been identified as being abused, neglected, or exploited, or are at risk of being abused, neglected, or exploited; these existing policies are noted with asterisks (\*).

Table 2. Considerations for Eligibility and Prioritization Criteria to Address Access to Child Care Subsidies — At Risk Groups

At Risk Groups	Categorical Eligibility	Presumptive Eligibility	Extended Eligibility	Prioritization
<b>Child maltreatment</b>				
a. Involved in child welfare	✓*		✓	✓*
b. Placed in foster care	✓		✓	✓
Child special needs and adult disability		✓		✓
Transition to lone parenthood		✓		✓
Domestic violence or intimate partner violence		✓		✓
Teen and young parenthood		✓		✓
Native Americans, through Indian Health Service		✓		✓

Note: A check mark [✓] means for consideration. Reference Table 1 for footnotes.

## Public Assistance

### CalFresh

CalFresh is a federal entitlement public assistance program that offers near-cash food assistance to low-income households. To receive CalFresh, households must have a gross income below 130 percent of the federal poverty level (FPL). In addition, households are categorically eligible for CalFresh when they receive non-cash CalWORKs.<sup>17</sup> Unlike regular CalWORKs, which has a lower income limit and is the program we refer to

throughout this brief, this special non-cash CalWORKs is specifically designed to raise the CalFresh income limit to 200 percent of the FPL (known as broad-based categorical eligibility, or BBCE).<sup>18</sup> Either of the CalFresh income thresholds is lower than the income limit for child care assistance (Figure 1). CalFresh families would be income-eligible for child care assistance; therefore, both categorical and presumptive eligibility for CalFresh families would be administratively feasible.

17 See the All County Letter regarding CalFresh modified categorical eligibility in August 2014 from the Department of Social Services: <https://www.cdss.ca.gov/lettersnotices/EntRes/getinfo/acl/2014/14-56.pdf>.

18 See the definition for and states' adoption of BBCE at <https://www.fns.usda.gov/snap/broad-based-categorical-eligibility>.



Assuming that all CalFresh families with young children need child care, CalFresh presumptive or categorical eligibility is estimated to help enroll up to a quarter more of the population that is income-eligible for child care assistance (2018 ACS).<sup>19</sup> The CalFresh population has a larger share of families that are two-parent,<sup>20</sup> Latino, living in near poverty,<sup>21</sup> speak a language other than English

at home, and have an immigrant status, compared to CalWORKs participants, due to the program's higher income threshold (2018 ACS). If new families enrolled through CalFresh are guaranteed child care assistance, this new eligibility rule will change the demographic composition of families receiving child care assistance.

---

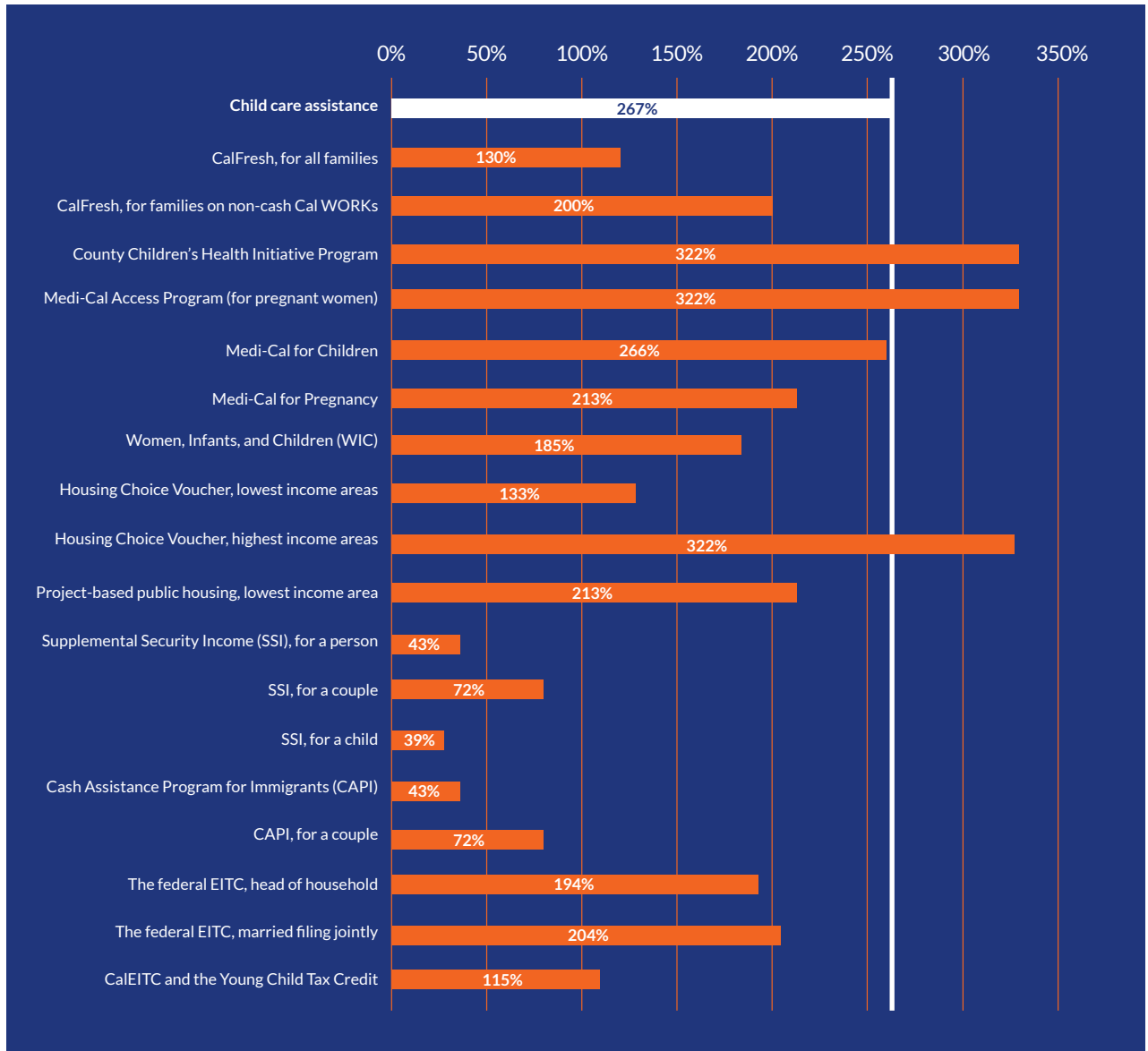
19 This number is based on the authors' calculation of the 2018 American Community Survey (ACS; IPUMS) data: Steven Ruggles, Sarah Flood, Ronald Goeken, Josiah Grover, Erin Meyer, Jose Pacas, and Matthew Sobek. IPUMS USA: Version 10.0 [dataset]. Minneapolis, MN: IPUMS, 2020. <https://doi.org/10.18128/D010.V10.0>. Throughout this document, we refer to our calculations of the 2018 ACS data when we note "2018 ACS."

20 We refer to "parents" in this brief for ease of communication, but within this term we also consider primary caregivers such as guardians.

21 "Near poverty" is defined here as having a family income below 200 percent of the FPL.



Figure 1. Comparison of Income Eligibility Thresholds for Child Care Assistance with Other Public Assistance Programs: As Percentage of Federal Poverty Level for Family of Four in 2020



Note: These public assistance programs consider incomes differently, such as types of incomes counted or not counted toward eligibility, the definition of an assistance unit (e.g., households, families, tax filing units, or persons, affecting whose incomes are counted), or the reference threshold as the cutoff for income eligibility (e.g., the state median income, the federal poverty level). In this figure, for each program, we present the income threshold that is approximately gross family income, except for SSI (see the section on SSI for more detail), and convert this threshold to the percentage of the federal poverty level for a family of four in 2020 to compare across programs.

## Medi-Cal

Medi-Cal provides health insurance coverage to lower-income individuals in California. Medi-Cal has several programs for different populations. The County Children’s Health Initiative Program (CCHIP) and the Medi-Cal Access Program (MCAP, for pregnant women) both have an income threshold, 322 percent of the FPL, higher than the income requirement for child care assistance (Figure 1). Medi-Cal for Children has a threshold of 266 percent of the FPL, and Medi-Cal for Pregnancy has a threshold of 213 percent of the FPL. In addition, recipients of CalFresh, SSI, CalWORKs, foster care, and adoption assistance are categorically eligible for Medi-Cal. We recommend presumptive or categorical eligibility to participants in Medi-Cal for Children and Medi-Cal for Pregnancy, and presumptive eligibility to CCHIP and MCAP recipients.

Higher-income thresholds and presumptive eligibility have helped Medi-Cal, as an entitlement program, enroll the greatest number of persons with lower incomes among all public assistance programs.<sup>22,23</sup> Children covered by Medi-Cal are demographically more similar to children income-eligible for child care assistance than to children on CalWORKs or CalFresh: More of them are Latino, live with two parents, have immigrant parents, speak a language other than English at home, and are less likely to live in deep poverty.<sup>24</sup>

Three issues are worth consideration for conferring eligibility to children covered by Medi-Cal. First, Medi-Cal–presumed eligibility for families with incomes above 70 percent of the SMI may not be financed with the federal CCDF. Second, this presumptive eligibility proposal may not reach about a quarter of children who are income-eligible for child care assistance and who are not covered by Medi-Cal (but rather may be covered by other health insurance).<sup>25</sup> Third, currently, California leverages state funds to provide child care benefits to undocumented children. An increase in enrollment of undocumented children through Medicaid-based eligibility will require additional funds.<sup>26</sup>

## The Special Supplemental Nutrition Program for Women, Infants, and Children

Women, Infants, and Children (WIC) is a federal grant to the state to provide supplemental foods, health care referrals, and nutrition education for pregnant, postpartum, and breastfeeding women, and children under the age of five, who have income below 185 percent of the FPL and who are at nutritional risk (Figure 1). Because WIC is not an entitlement program and hence does not serve all eligible women and children, we recommend categorical or presumptive eligibility and prioritization based on WIC eligibility rather than participation. Not all families receiving WIC benefits are participating in CalFresh. For example, only 42 percent of pregnant women on WIC

22 For example, the Medi-Cal population includes most of the CalFresh participants: Only 2.6 percent of children in families income-eligible for child care assistance are on CalFresh but not on Medi-Cal (2018 ACS).

23 2018 ACS

24 2018 ACS

25 2018 ACS

26 Matthews, H. (2017). *Immigrant eligibility for federal child care and early education programs*. Washington, DC: The Center for Law and Social Policy. <https://www.clasp.org/sites/default/files/public/resources-and-publications/publication-1/Immigrant-Eligibility-for-ECE-Programs.pdf>

reported CalFresh receipt.<sup>27</sup> Therefore, these two programs should be treated as separate categories of eligibility for inclusivity.

### **Housing Assistance, Extremely Low Income, and Homelessness**

Currently, families experiencing homelessness are categorically eligible for child care assistance and are one of the prioritization groups. For this group, we recommend continuing this approach and 12-month extended eligibility in addition to the initial 12-month eligibility after families obtain permanent housing.

For families experiencing housing hardships, but not to the extent of homelessness, child care assistance can serve as a prevention for homelessness; it can save family resources for rent payment, increase parents' labor force participation, and thus reduce the likelihood of late payment, eviction, or homelessness. Depending on the local median income, which is used to define eligibility for housing assistance, families eligible for housing assistance may have incomes above the income threshold for child care assistance.

Figure 1 expresses the income threshold for Housing Choice Voucher, that is, 50 percent of the local median income, as a percentage of the FPL for a family of four in 2020, and the threshold for project-based public housing, or 80 percent of the local median income (although most families in public housing have incomes below 50 percent

due to program requirements). Both thresholds are higher than the income limit for child care assistance in certain areas. We therefore recommend presumptive eligibility to families eligible<sup>28</sup> for housing assistance. In addition, in light of the fact that housing costs vary tremendously by region, we recommend child care assistance be prioritized to families with incomes below 30 percent of the local median income, which is considered extremely low income by the U.S. Department of Housing and Urban Development (HUD) and largely falls below the income limit for child care assistance.<sup>29</sup>

### **Supplemental Security Income**

SSI is a federal program that provides cash assistance to low-income persons who are aged, disabled, or blind, and to children with disabilities from families with low incomes. SSI considers the "countable income" of an applicant, and the benefit decreases when countable income increases. Therefore, different from other programs, we show the thresholds for countable incomes rather than gross household incomes in Figure 1 for SSI. Persons with disabilities may apply as an individual, or, if married, with the spouse.

Because not all parental incomes are counted as child incomes, gross household incomes for an eligible child can be much higher than the threshold shown in Figure 1; for some household compositions, the gross monthly income limit is as high as 200 percent of the FPL.<sup>30</sup> Even in these

27 California Department of Public Health. (2017). *MIHA data snapshots of prenatal WIC participants: Indicators of maternal and infant health from the Maternal and Infant Health Assessment (MIHA) Survey, 2013–2014* (p. 12). California Department of Public Health, Maternal, Child and Adolescent Health Division. <https://www.cdph.ca.gov/Programs/CFH/DMCAH/MIHA/CDPH%20Document%20Library/MIHA-AnnualReport-2013-2014-County-Regional-WIC.pdf>

28 Housing assistance eligibility is recommended, rather than household assistance participation, because these housing assistance programs are not entitlements and thus keep long wait lists.

29 See this income limit table published by HUD: <https://www.huduser.gov/portal/datasets/il/il18/Section8-IncomeLimits-FY18.pdf>

30 See the detailed eligibility chart for children at <https://www.ssa.gov/ssi/text-child-ussi.htm>.

cases, SSI families have incomes below the income limit for child care assistance. Therefore, we recommend categorical or presumptive eligibility and, additionally, prioritization to families receiving SSI, given the circumstances of children and adults with disabilities documented in the literature (see the section on Child and Adult with Disabilities).

### Cash Assistance Program for Immigrants and Migrant Education Programs

Low-income immigrant families are less likely to participate in public assistance than their non-immigrant counterparts,<sup>31</sup> although most of their children are native born.<sup>32</sup> Children in immigrant families are often dual language learners. Quality child care can support their acquisition of both or multiple languages, increase social support, and reduce the family's isolated immigration experience.<sup>33</sup>

Deportation and public charge concerns may prevent immigrant families from choosing to participate in major public assistance programs. The Cash Assistance Program for Immigrants (CAPI) provides a benefit level identical to that of SSI for low-income immigrants with disabilities who meet all eligibility criteria for SSI except for their immigration status (Figure 1). Therefore, we recommend categorical or presumptive eligibility for families qualified for the CAPI. Additionally, we recommend presumptive eligibility to families

in Migrant Education Programs because, unlike CAPI, this program does not have an income test. Additionally, we recommend prioritization to children of refugees, CAPI recipients, and migrant families given the high adversity of their disability, refugee, and migrant experiences.<sup>34</sup>

### The Earned Income Tax Credit and CalEITC

The federal Earned Income Tax Credit (EITC), a refundable tax credit for lower-income workers, has become the largest cash assistance program since the welfare reforms of the 1990s. Its income limit is approximately 200 percent of the FPL for a family of four, slightly lower than 70 percent of the SMI, and, therefore, families with children that receive the EITC greatly overlap with families that are income-eligible for child care assistance. California's Earned Income Tax Credit (CalEITC) provides a state EITC to families with incomes below \$30,000 in tax year 2019 (regardless of family size), or equivalent to 115 percent of the FPL for a family of four in 2020 (Figure 1). California's Young Child Tax Credit (YCTC) offers an additional credit to those qualified for CalEITC with young children (age zero to five).

We recommend categorical or presumptive eligibility to families with children receiving the EITC, CalEITC, or YCTC. Through statutory authority, the

31 Bitler, M., & Hoynes, H. W. (2011). *Immigrants, welfare reform, and the U.S. safety net* (Working Paper No. 17667). Cambridge, MA: National Bureau of Economic Research. <https://doi.org/10.3386/w17667>

32 In 2018, 92 percent of children in immigrant families were citizens in California. The Annie E. Casey Foundation, KIDS COUNT Data Center. (2020). *Children in immigrant families who are U.S. citizens in the United States*. <https://datacenter.kidscount.org/data/map/5921-children-in-immigrant-families-who-are-us-citizens?loc=1&loct=2#2/any/true/true/37/any/12548/Orange/>.

33 Kaplan, E. (2020, May). What isolation does to undocumented immigrants. *The Atlantic*. <https://www.theatlantic.com/family/archive/2020/05/isolated-undocumented-immigrant/612130/>

34 Villarejo, D. (2003). The health of U.S. hired farm workers. *Annual Review of Public Health*, 24(1), 175–193. <https://doi.org/10.1146/annurev.publhealth.24.100901.140901>; Villarejo, D., McCurdy, S. A., Bade, B., Samuels, S., Lighthall, D., & Williams, D. (2010). The health of California's immigrant hired farmworkers. *American Journal of Industrial Medicine*, 53(4), 387–397. <https://doi.org/10.1002/ajim.20796>

Franchise Tax Board may allow families to consent on their tax returns to use their tax information to certify eligibility for child care assistance or consent to be contacted about program eligibility, either of which is anticipated to increase enrollment.

### At Risk Groups

In addition to presumptive eligibility and prioritization that are primarily centered on poverty, the rest of this section reviews groups of children who are socioeconomically disadvantaged (in addition to low-income) or developmentally at risk. Presumptive eligibility streamlines the application process and increases access but does not imply a change to the final income test as currently conducted in child care assistance programs (see the definition in its section).

### Child Maltreatment

Currently, child care assistance programs provide both categorical eligibility and prioritization to children identified as being abused, neglected, exploited, or at risk of abuse, neglect, exploitation, or receiving child welfare services. Child maltreatment increases the risk of mental and behavioral health problems both in adolescence and in adulthood.<sup>35</sup> Child care can directly address child neglect, which is the major form of child maltreatment and often occurs when

parents are not available. Child care can also provide children an enriched environment that has not been established in the home and help parents develop skills to nurture the child. Hence, we recommend continuing this approach for maltreated children and recommend presumptive eligibility to families involved in early stages of child welfare, such as Differential Response,<sup>36</sup> and in later stages of involvement, such as families in the Adoption Assistance Program and Kin-GAP (kinship care) Program.

Because youth in foster care usually have no income or are low-income and cannot financially depend on either their biological or their foster parents, we recommend categorical eligibility. Currently, foster children are prioritized for child care assistance. In addition, for both maltreated children and children in foster care, we recommend another 12-month eligibility following their initial 12-month regular eligibility to offer uninterrupted access to child care, which is aligned with the principle of “continuum of care” that the child welfare system strives to achieve.

### Child and Adult with Disabilities

We recommend the following both to children with disabilities and parents with disabilities, given the economic, psychological, and social challenges supporting children and adults with disabilities<sup>37</sup>:

35 Jonson-Reid, M., Kohl, P. L., & Drake, B. (2012). Child and adult outcomes of chronic child maltreatment. *Pediatrics*, 129(5), 839–845. <https://doi.org/10.1542/peds.2011-2529>

36 Differential Response (DR) is a child welfare practice that provides flexible intervention to families referred to child welfare that show varying levels of risk.

37 Brucker, D. L., Mitra, S., Chaitoo, N., & Mauro, J. (2015). More likely to be poor whatever the measure: Working-age persons with disabilities in the United States. *Social Science Quarterly*, 96(1), 273–296. <https://doi.org/10.1111/ssqu.12098>; Coleman-Jensen, A., & Nord, M. (2013). Food insecurity among households with working-age adults with disabilities (SSRN Scholarly Paper ID 2202869). *Social Science Research Network*. <https://doi.org/10.2139/ssrn.2202869>; Dabrowska, A., & Pisula, E. (2010). Parenting stress and coping styles in mothers and fathers of pre-school children with autism and Down syndrome. *Journal of Intellectual Disability Research*, 54(3), 266–280. <https://doi.org/10.1111/j.1365-2788.2010.01258.x>; Drew, J. A. R. (2015). Disability, poverty, and material hardship since the passage of the ADA. *Disability Studies Quarterly*, 35(3), Article 3. <https://doi.org/10.18061/dsq.v35i3.4947>; Emerson, E., Shahtahmasebi, S., Lancaster, G., & Berridge, D. (2010). Poverty transitions among families supporting a child with intellectual disability. *Journal of Intellectual and Developmental Disability*, 35(4), 224–234. <https://doi.org/10.3109/13668250.2010.518562>; Semega, J., Kollar, M., Creamer, J., & Mohanty, A. (2020). *Income and poverty in the United States: 2018* (Current Population Reports No. P60-266(RV)). U.S. Government Printing Office. <https://www.census.gov/library/publications/2019/demo/p60-266.html>

(1) categorical or presumptive eligibility and prioritization to child SSI recipients and children of adult SSI recipients; (2) presumptive eligibility and prioritization to children eligible for special education, the Department of Developmental Services Early Start program, and Regional Center services; and (3) that definitions for child with disabilities and adult with disabilities be based on the universe of disability program definitions<sup>38</sup> and include long- and short-term disabilities, and disabilities associated with substance abuse and mental disorders.

### Transition to Lone Parenthood

The phrase “transition to lone parenthood” refers to all types of family transitions in which children lose a parent who was the primary caregiver or wage earner for the child. These types of transition could include the death of a parent, deportation, parental separation, and incarceration. Transition to lone parenthood is considered an adverse childhood experience (ACE) because it is often a stressful event for families to endure and can have a lasting impact on children.<sup>39</sup>

Whichever type of prior household labor division existed (e.g., single- or dual-income families), the parent left to live with the child often must adjust

to new circumstances with less money and time. For children who previously lived with one parent, the loss of the parent due to death or incarceration is traumatic and increases the risk of foster care.<sup>40</sup> Therefore, we recommend presumptive eligibility and prioritization to families that are in transition to lone (or no) parenthood to mitigate the negative impact of this adversity.

### Domestic Violence and Intimate Partner Violence

Domestic violence, or intimate partner violence, can leave a permanent mark on the psychological and physical well-being of the victim parent and children. Child care assistance can increase the victim parent’s ability to leave an abusive relationship while caring for children. Therefore, we recommend both presumptive eligibility and prioritization of child care assistance to child and parent domestic violence survivors, including income-eligible families receiving domestic violence assistance services and those with restraining orders.

### Teen and Young Parenthood

Teen parenthood is associated with increased risk of child poverty, intergenerational poverty, low

38 For instance, the Social Security Disability Insurance, VA Disability Compensation, and the Affordable Care Act.

39 Case, A., & Ardington, C. (2006). The impact of parental death on school outcomes: Longitudinal evidence from South Africa. *Demography*, 43(3), 401–420. <https://doi.org/10.1353/dem.2006.0022>; Lovato, K., Lopez, C., Karimli, L., & Abrams, L. S. (2018). The impact of deportation-related family separations on the well-being of Latinx children and youth: A review of the literature. *Children and Youth Services Review*, 95, 109–116. <https://doi.org/10.1016/j.childyouth.2018.10.011>; Murray, J., Farrington, D. P., & Sekol, I. (2012). Children’s antisocial behavior, mental health, drug use, and educational performance after parental incarceration: A systematic review and meta-analysis. *Psychological Bulletin*, 138(2), 175. <https://doi.org/10.1037/a0026407>; Taylor, R., & Andrews, B. (2009). Parental depression in the context of divorce and the impact on children. *Journal of Divorce and Remarriage*, 50(7), 472–480. <https://doi.org/10.1080/10502550902970579>

40 Shaw, T. V., Bright, C. L., & Sharpe, T. L. (2015). Child welfare outcomes for youth in care as a result of parental death or parental incarceration. *Child Abuse and Neglect*, 42, 112–120. <https://doi.org/10.1016/j.chiabu.2015.01.002>



educational attainment, and child maltreatment.<sup>41</sup> From a developmental perspective, many teens are not ready to be parents, as evidenced by the fact that three quarters of teen pregnancies are unintended.<sup>42</sup> Many of them have not completed education by the child's birth and may not be financially stable on their own. Teen pregnancy rates are higher among Latino, Black, and American Indian/Alaska Native teens than they are among their White peers.<sup>43</sup> To reduce the disparities between children born to teen parents and those who are not, we recommend presumptive eligibility and prioritization of child care assistance to parents who have biological children under age five and who were teens at the birth of the eligible child.<sup>44</sup>

### Native Americans

Research documents both risk and resilience among Native Americans in the face of historical trauma and cultural extinction experienced as a group. For example, there have been a plethora of community efforts to preserve the identities, cultures, and languages of Native Americans,<sup>45</sup> but meanwhile, Native American youth are struggling with mental health and academic problems that are

rooted in ACE.<sup>46</sup> Because of these socioeconomic disadvantages that Native Americans constantly confront, we recommend presumptive eligibility and prioritization be conferred to members of federally recognized Native American tribes and Alaska Natives and their children, such as those eligible for the Indian Health Service (IHS). IHS is a federal program that provides health services to eligible tribal members, their children, and their spouses. There are 50 IHS health programs (e.g., clinics, centers) throughout California.

### Implementation and Outreach

The implementation of presumptive and categorical eligibility and prioritization will require robust engagement with the involved programs, communities, and organizations because the recommended groups are mostly program participants or show risk factors that other interventions are also designed to address. The consideration of presumptive eligibility and prioritization also informs where outreach efforts should be conducted. For example, for children experiencing separation from parents, child care assistance programs may seek to collaborate with family courts, law enforcement, and correctional facilities.

41 Dahl, G. B. (2010). Early teen marriage and future poverty. *Demography*, 47(3), 689–718. <https://doi.org/10.1353/dem.0.0120>; MacKenzie, M. J., Nicklas, E., Brooks-Gunn, J., & Waldfogel, J. (2011). Who spans infants and toddlers? Evidence from the fragile families and child well-being study. *Children and Youth Services Review*, 33(8), 1364–1373. <https://doi.org/10.1016/j.childyouth.2011.04.007>; Smeeding, T. M., Garfinkel, I., & Mincy, R. B. (2011). Young disadvantaged men: Fathers, families, poverty, and policy. *The ANNALS of the American Academy of Political and Social Science*, 635(1), 6–21. <https://doi.org/10.1177/0002716210394774>

42 CDC. (2019, September). Unintended pregnancy. <https://www.cdc.gov/reproductivehealth/contraception/unintendedpregnancy/index.htm>

43 Child Trends. (2018). Teen pregnancy. <https://www.childtrends.org/indicators/teen-pregnancy>

44 Prior research on the effect of welfare reform (reduced benefits) finds that welfare reform has not reduced teenage fertility and school dropout. We recommend prioritization to teen parents and monitoring the trends in teen pregnancies.

45 Find out more about Native American community-based organizations and their programs at <https://www.edi.nih.gov/people/sep/na/campaigns/native-american-heritage-month-2018/native-american-organizations>.

46 Brockie, T. N., Dana-Sacco, G., Wallen, G. R., Wilcox, H. C., & Campbell, J. C. (2015). The relationship of adverse childhood experiences to PTSD, depression, poly-drug use and suicide attempt in reservation-based Native American adolescents and young adults. *American Journal of Community Psychology*, 55(3), 411–421. <https://doi.org/10.1007/s10464-015-9721-3>; Thornton, B., & Sanchez, J. E. (2010). Promoting resiliency among Native American students to prevent dropouts. *Education*, 131(2); Gone, J. P. (2013). Redressing First Nations historical trauma: Theorizing mechanisms for indigenous culture as mental health treatment. *Transcultural Psychiatry*, 50(5), 683–706. <https://doi.org/10.1177/1363461513487669>



Furthermore, innovations in other programs can shed light on the administration of presumptive and categorical eligibility, prioritization, and outreach for child care assistance. For example, the Affordable Care Act, effective in 2014, let qualified entities, such as hospitals, determine presumptive eligibility such that individuals experiencing poverty can quickly access the health care they need. California has adopted this option, which is known as the Medi-Cal Hospital Presumptive Eligibility Program. Similarly, child care assistance programs may allow certified care providers to make presumptive eligibility and prioritization determinations to increase enrollment and access for families at risk.

Another innovative example is the Community Eligibility Provision (CEP), which provides free school meals to all students, without collecting individual applications, in areas of concentrated poverty. Individual schools, groups of schools, or an entire school district with an identified student percentage (roughly the percentage of students in poverty) of 40 percent or above can choose to adopt CEP. Data on eligible school areas is publicly available. Substantial administrative efficiency may be achieved through CEP-based presumptive eligibility, especially for families that have established residence.

## Conclusion

---

By knitting together California's comprehensive array of resources and supports, disadvantaged children and families will have a greater chance of success and more economic mobility opportunities. Connecting families from other resource and support programs to child care assistance should be part of the quilt. Presumptive and categorical

eligibility can be the tools for achieving this aim. Adoption of either approach will require change to program procedures within federal rules. It may also increase the number of families enrolling for child care assistance but will not guarantee benefit receipt due to limited funding. Therefore, prioritization then becomes critical to ensure that families at risk get the priority to access child care assistance.

To address funding limitations and to effectively implement prioritization, the Master Plan further recommends that child care assistance programs (1) consider multiple, cumulative risk factors in making prioritization determinations; (2) define and align each of the criteria proposed above to ensure implementation effectiveness; and (3) establish a statewide, centralized wait list and prioritization system. A clearly specified policy and robust implementation contribute to maximizing child care resources, improve transparency, and ensure equity in access to child care assistance.

Finally, we recommend extended eligibility to improve the stability of care for children who have experienced harmful disruptions in life, such as homelessness, maltreatment, and extremely low income. Such an approach may reduce administrative burden, increase focus on the needs of families, expand access for families with higher needs, and improve developmental outcomes for the most vulnerable children in California.

### **Author**

Yiyu Chen, Child Trends

### **Contributor**

Carlise King, Child Trends