

## CalWORKs Child Care

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### Summary

In 1998, AB 1542 (Chapter 270, Statutes of 1997) was enacted with the intent of revising and simplifying the state's child care services related to welfare reform. Known as the California Work Opportunities and Responsibility to Kids Act (CalWORKs), it replaced the child care programs that had evolved under the old AFDC (Aid to Families with Dependent Children) system and restructured it into a three stage CalWORKs child care system. Although there are differences in how each county defines and implements each stage of child care funding within the CalWORKs system, the primary structure of California's system for implementing child care under the federal Temporary Assistance for Needy Families (TANF) program is briefly described below.

### Stage 1

Stage 1 of CalWORKs child care is intended for participants who are within the first six months of CalWORKs benefits. Theoretically, this is the period when they have entered and become stabilized in welfare-to-work activities (training, education programs, job search etc.) or found employment and transitioned off cash aid. However, if an eligibility worker at the county welfare department deems the participant's situation is unstable due to unsteady employment, domestic violence or other issues, the six month limit for Stage 1 can be extended for up to a total of two years following the participant's transition off cash aid. It is possible for some participants to transition out of Stage 1 in less than six months if they succeed in securing stable employment.

Stage 1 is administered by the California Department of Social Services (CDSS) through County Welfare Departments (CWDs). Approximately half of the county CWDs have chosen to subcontract with local Alternative Payment Programs (APPs) to administer their Stage 1 child care funds. These local APPs manage other child care voucher programs (see some descriptions below) with contracts from the California Department of Education, Child Development Division. Locally, the APPs are administered under a variety of auspices including: private non-profit organizations; school districts; County Offices of Education, and in a few cases, local government.

## Stage 2

Stage 2 of CalWORKs child care is intended for participants whose employment or welfare-to-work activity has stabilized, or who are otherwise transitioning off cash aid. It begins as promptly as possible and is intended to last up to two years following the transition off cash aid. Child Care in Stage 1 and Stage 2 combined can be provided for a total of 24 months after the participant transitions off cash aid. This means that if a participant remains in Stage 1 after leaving cash aid for whatever reason (lack of available Stage 2 child care funds or an available child care slot for their child), that time counts towards their total 24 month limit of child care assistance in the two stages. NOTE: The 24 month limitation only begins following the participants shift off cash aid.

Stages 2 and 3 are both administered by the California Department of Education (CDE), Child Development Division through contracts with Alternative Payment Programs (APPs).

## Stage 3

Stage 3 of CalWORKs child care is intended for former or current participants who have to transition from their 24 months in Stage 1 and/or Stage 2. According to current interpretation of the California Education Code by the CDE, the participants must be actively receiving child care from one of these two stages in the 24th month after leaving cash aid. Unlike in Stages 1 and 2 there is no time limit for receiving Stage 3 child care, as long as the participant and his or her child meet the age and income eligibility qualifications (outlined below).

The design of the CalWORKs child care system was intended to provide care to participants and their children that mirrored that of the non-CalWORKs population; thus allowing CDSS and CWDs to administer Stage 1 and CDE to administer Stage 2 and 3. Shifting Stages 2 and 3 participants, those transitioning off of cash aid, out from social service and welfare offices, literally and symbolically assists in the transition away from aid and movement towards self-sufficiency. It also serves to limit the stigma of being involved in the welfare system requiring families' no longer on cash aid to go to the Alternative Payment Programs rather than the County Welfare Office to access child care services. In other words, they can use child care subsidies and seek child care assistance in the same way as non-CalWORKs families.

Parents utilizing CalWORKs child care must meet the following general eligibility criteria:

- The parent must currently be receiving, or have previously received, CalWORKs cash assistance
- The funded child must be a son or daughter of the CalWORKs parent (with certain exceptions, i.e. foster children)

- The funded child/children must be between birth and 12 years old<sup>1</sup> (or up to 22 years old if s/he is disabled and unable to care for him/herself). The preferred placement for children who are 11 and 12 years of age is in before or after school programs.
- The parent must meet the CalWORKs work or work activity requirements
- The parent must not exceed the income eligibility limit- currently at 70% of State Median Income (SMI), adjusted for family size.

Stage 1 and Stage 2 child care are considered entitlement programs and therefore, caseload driven.

Stage 3 funds child care for working families and helps them to remain employed and self-sufficient, and the funding has survived despite numerous attempts to eliminate it. Stage 3 had historically been fully funded but had been capped for several years. Families who have lost their Stage 3 child care funding have had to join thousands of additional families on waiting list to receive subsidized child care or quit their jobs due to lack of affordable child care options and return back to CalWORKs.

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<sup>1</sup> CA Education Code 8263.4