Subsidized Child Care in California

California’s subsidized child care system reflects a strong state and federal investment in direct services to serve low-income children in California. These services are provided through a mix of state-contracted and voucher-based programs which allow parents to access publicly and privately owned programs, as well as license-exempt providers.

Subsidized Child Care Settings

Over 280,000 children were served through CDE child development programs. Overall, the majority of children are in licensed child care settings (92%). Within voucher-based programs there is a different pattern of care: center-based (30%), family child care (45%) and license-exempt care (25%).

Ages of Children Served

Due to the state’s significant investment in preschool services, 52% of children served are 3 and 4 years old. Thirty-five percent of children are school-age and 13% are birth to 2 years. Preschool-age children are more likely to be served in a center-based program, while over half of infants and school-age children are served either in family child care or by license-exempt individuals.

1. California Department of Finance, FY2018-19 Budget Act, Child Development Programs, Total Local Assistance. This excludes CalWORKs Stage 1 and Quality Improvement funding. In FY2018-19 CalWORKs Stage 1 funding was $331 million.

2. California Department of Education, Early Education and Support Division. CDD-801A Monthly Child Care Report October 2016/April 2017. Does not include Stage 1 child care, which served 41,403 children in the same time period. A child may be counted more than once if they received services within multiple setting types during the same report month.
Subsidized Child Care Demographics

California has the highest poverty rate in the nation. The Supplemental Poverty Measure (SPM) for 2017 estimates that California’s poverty rate is at 19 percent. Given the high cost of living in our state, a child care subsidy offers an essential support for working parents while providing their children with a safe and supportive learning environment.

Children Served in Subsidized Care

Of the over 280,000 children served through state child development programs, a majority come from low-income communities of color.

Subsidy Eligibility

To qualify for a subsidy, a family of three can earn no more than $52,076 gross annually. However, there are still close to 1.5 million eligible children who did not receive services from state programs.

Number of Children Served by Monthly Family Income as a Percent of SMI

<table>
<thead>
<tr>
<th>Income as a Percent of SMI</th>
<th>Number of Children Served</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% - 20% SMI</td>
<td>51,559</td>
</tr>
<tr>
<td>21% - 40% SMI</td>
<td>107,870</td>
</tr>
<tr>
<td>41% - 60% SMI</td>
<td>86,160</td>
</tr>
<tr>
<td>61% - 80% SMI</td>
<td>30,983</td>
</tr>
<tr>
<td>81% - 100% SMI</td>
<td>691</td>
</tr>
</tbody>
</table>

4. California Department of Education, Early Education and Support Division. CDD-801A Monthly Child Care Report October 2016/April 2017. Does not include Stage 1 child care, which served 41,403 children in the same time period. A child may be counted more than once if they received services within multiple setting types during the same report month.
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