

**California State Assembly**  
**SELECT COMMITTEE ON WOMEN IN THE WORKPLACE**



**LORENA GONZALEZ**  
CHAIR

**BRIEFING PAPER**

Monday, November 16, 2015

2:00 p.m. - 4:30 p.m.

Junipero Serra State Office Building, Carmel Room  
320 West Fourth Street | Los Angeles, CA 90013

**Informational Hearing: Child Care and Transportation as Barriers to Work**

**Background**

The Assembly Select Committee on Women in the Workplace has convened its third hearing of 2015 to receive testimony from a range of witnesses to reaffirm the state's need for improved access to child care and transportation, as lack of access to these services creates barriers to employment for women. The information received at this hearing will be used to advance policy solutions that work for all of California's families.

As of 2013, California is home to approximately 2.5 million children under age five.<sup>1</sup> Between 2009 and 2013 the number of children living in single-parent families has remained between approximately 34 and 35 percent, and the number of low income working families with children in California rose from 21 percent to 23 percent.<sup>2 3</sup>

Several public programs exist in California to not only keep these families out of poverty, but promote their financial stability and independence. The two programs in California credited with keeping the largest number of children out of poverty are CalFresh (commonly referred to as food stamps) and the California Work Opportunity and Responsibility to Kids program (CalWORKs)<sup>4</sup> which is the state version of Temporary Assistance for Needy Families (TANF), the federal cash assistance program. In order for such programs to have successful outcomes, barriers to finding and keeping employment such as lack of access to transportation, child care, and diapers, must be addressed.

In CalWORKs, adult parents are required to participate in welfare to work (WTW) activities in order to qualify for child care services. These activities can include work training, community service, mental health or substance abuse counseling, and several other activities aside from a paid job.

Single parents are required to participate in a WTW activity for an average of 30 hours per week each month, and in a two-parent family one or both adults must participate in WTW activities for a total average of 35 hours per week each month.

The State of California acknowledges that access to child care and transportation are essential to keeping employment in two ways. First, to assist with WTW activity attendance, CalWORKs offers “supportive services” including child care and transportation subsidies. Secondly, the Department of Social Services states that if these supportive services are not available “the recipient has good cause for not participating.”<sup>5</sup>

It is not new information that access to child care and transportation are two of the top barriers to employment, and they do not only impact women or families enrolled in public programs. While most studies on barriers to work tend to only research programs such as CalWORKs, in a survey of programs that assist low-income women find employment, 75 percent of such programs reported that child care and transportation access were two of the three barriers that often limited employment opportunities for “non-welfare clients.”<sup>6</sup>

### **Child Care Access as a Barrier to Work**

The topic of child care access and affordability has been a prevalent topic in California because it is a real problem. In October of 2015 the Economic Policy Institute released new nation-wide data about the cost of child care using their recently published Family Budget Calculator. This study found that the cost of annual child care as a share of full-time, full-year minimum-wage earnings in California was over 63 percent for an infant and over 44 percent for a four-year-old child.<sup>7</sup> Additionally, the California Budget and Policy Center found that the typical single mother of two would have to spend 70 percent of her income to cover the full expense of child care.<sup>8</sup>

The direct link between access to child care and the ability to maintain employment is fundamental. As of 1997, current and former CalWORKs enrollees engaged in a WTW activity may qualify for the CalWORKs three-stage subsidized child care program.<sup>9</sup> The availability of publicly funded child care for one child is referred to as a slot. Families enter Stage One upon enrollment in CalWORKs. Stage One ends after six months or once the County of residence for the recipient determines the family’s WTW activity is stable, *and* when a slot is available in Stage Two or Three. Even if the family is no longer eligible for cash aid they may continue to receive child care in Stage Two for up to 24 months. After they have used these 24 months of child care in Stage Two, a family may transition to Stage Three if slots are available.

Stage One is administered by the California Department of Social Services (CDSS), but Stage Two and Stage Three are administered by the California Department of Education (CDE), which also oversees the General Child Care and Development program and State Preschool.<sup>10</sup> A subsidized child care and development characteristic study is expected to be released by CDSS and CDE in 2017.

In Fiscal Year (FY) 2014 -2015 there were approximately 38,000 slots for families in Stage One, 52,000 for Stage Two, and an additional 35,000 slots in Stage Three. These 125,000 funded

CalWORKs child care slots combined with other low-income child care and state preschool adds up to 355,000 subsidized slots in California.<sup>11</sup> The number of families enrolled in CalWORKs is expected to decline through 2016, but the rate at which these families utilize the child care services is expected to increase.<sup>12</sup> There are several other federally funded programs operated by the state designed to promote the wellbeing of young children and keep their parents in work or school. For example, Early Head Start served over 16,000 children ages 0-2 in FY 2013- 2014.<sup>13</sup> Even with these resources and other not for profit organizations throughout the state, there is still not enough affordable child care available in California.

In addition to the complexity of these programs, there is concern for families facing financial instability because the calculations used to determine eligibility are outdated. The income limit for subsidized child care and preschool is based on a State Median Income (SMI) calculation. California last updated the SMI in FY 2007-2008. In 2011, the income limit was decreased by 5 percent. By fall of 2012 a family could not earn more than 70 percent of the FY 2007-2008 SMI, or approximately \$3,500 per month for a family of three.<sup>14</sup> As of March 2015, the eligibility limit was only 60 percent of the SMI when using current median income figures. This means families are disqualified for subsidized child care at a lower income than in previous years.<sup>15</sup>

### Diaper Need as a Barrier to Child Care

Diaper need, which occurs when a parent struggles to maintain an adequate supply of clean diapers, an issue of public health, workforce participation, and healthcare costs. Child care providers often require parents to provide a full day's supply of diapers making diaper need a barrier to work just as much as access to child care itself. Fortunately, there is a growing body of academic and medical research on diaper need.

One in three families have experienced diaper need.<sup>16</sup> Despite being a necessity to the health and hygiene of young children, diapers are excluded from state and federal assistance programs such as the Women Infant and Children program (WIC) and CalFresh which are funded by the United States Department of Agriculture specifically for nutritional aid. Depending on their age, children can require 5 to 10 diaper changes per day. Generally children need fewer diapers per day as they age. However, as the size of the diaper increases, so does the price. Diapers cost up to \$100 per child every month<sup>17</sup> or more depending on location.

One study available through the National Institutes of Health identified a lack of child care to be the number one barrier to work for single mothers.<sup>18</sup> For parents with unpredictable schedules, low-wage hourly jobs, school, or other necessary activities scheduled outside their control, not having enough diapers when they are required by a child care provider can easily create a logistical disaster. Diaper need puts child care, jobs, wages, and academic or vocational training progress at risk. Specifically for parents enrolled in CalWORKs, not being able to leave an infant or toddler at child care because of insufficient diaper supply can disrupt their WTW plan, possibly resulting in sanctions by the county welfare office.

The most common health concern is diaper dermatitis, commonly referred to as diaper rash, which is a skin irritation on the infant or toddler's lower body. One in four children will have a diaper rash at some point in their diaper wearing years,<sup>19</sup> but while they are statistically common, they are not always inconsequential. It has been documented that parents experiencing diaper need will try to stretch their supply by temporarily leaving a child in a soiled diaper, or even cleaning out used diapers in an attempt to reuse them.<sup>20</sup>

Diaper dermatitis occurs when particular enzymes and microorganisms interact to create a pH level similar to ammonia.<sup>21</sup> On an infant's skin, this can quickly turn from a dry irritation to an ulcer-like wound.<sup>22</sup> Minor diaper rash is treatable with creams that can add up to \$15 per month in diapering expenses. During the recession, when both household disposable income and the number of children under age two decreased, diaper rash cream sales increased. This suggests that families were able to buy fewer diapers but then had to purchase more cream to deal with the resulting diaper rash.<sup>23</sup>

If a child acquires a secondary infection, antibiotics, corticosteroids, and/or antifungal cream may be required. The most common complication, candida albicans colonization, a fungus normally present in stool that may grow in open wounds and can lead to a systemic infection,<sup>24</sup> requires the use of an antifungal cream for a full week. Other secondary infections that can occur after a few days of diaper rash include staphylococcus aureus (also known as MRSA), streptococcus pyogenes, or herpes simplex virus.<sup>25</sup> These complications require parents to find additional time and money for a pediatrician or emergency room visit. While the rate of medical visits are not widely researched, data available from 1990 through 1997 show there were 8.2 million pediatric visits for diaper dermatitis.<sup>26</sup> This can increase medical expenses for both families and subsidized health care.

Diaper need also has consequences for the parent's physical and mental health. A 2013 study by Yale researchers concluded that "an insufficient supply of diapers is not only a risk factor for poor infant health and child health, but also for maternal mental health." It also specifically states that having enough diapers could be "a tangible way of reducing parenting stress, a critical factor influencing child health and development."<sup>27</sup>

#### Relevant Legislation on Child Care and Diaper Need, 2015-2016

AB 188 (Garcia) – Child Care Reimbursement Rates for Alternative Payment Program (APP) Providers. Requires the Department of Education to contract with local contracting agencies for APPs that are intended to allow for maximum parental choice in child care. Also requires APPs to be reimbursed for making eligibility determinations at a rate of 3 percent of the total contract amount. AB 188 was held in the Assembly Appropriations Committee.

AB 233 (Lopez) – Child Care Alternative Payment Programs (APP) and Eligibility – This bill would amend various provisions in the Child Care and Development Services Act related to APPs and reimbursement rates. It would, in order to provide maximum parental choice and access, authorize APPs to also include an eligibility determination process of not less than once every 12 months. AB 233 was held in the Assembly Appropriations Committee.

AB 492 (Gonzalez) – Provides a monthly \$50 supplement per child age 2 or younger to parents enrolled in CalWORKs who also qualify for the child care benefit. AB 492 is currently in the Assembly Committee on Human Services and will be taken up in January, 2016.

SB 548 (de León and Atkins) – The Raising Child Care Quality and Accessibility Act creates new child care slots, supports additional training, and establishes the right of child care workers to collectively bargain. Specifically, at least four additional hours of orientation training for state-funded child care workers focused on state and federal guidelines and available resources would be required. SB 548 is currently awaiting a decision from the Governor.

AB 717 (Gonzalez) – Exempts diapers size 3 or smaller from sales and use taxes. AB 717 is in the Assembly Appropriations Committee on suspense and will be taken up in January, 2016.

### **Transportation Access as a Barrier to Work**

Transportation is not only an enormous issue for California because of the cost of infrastructure. Access to safe, affordable, and reliable transportation has a direct impact on workforce participation as well as workforce development when the ability to attend school and training programs is considered.

A 2005 study on CalWORKs participants found that “child care and transportation were identified as barriers that were consistently and strongly associated with poorer work outcomes and with a greater reliance on welfare.”<sup>28</sup> More recently, transportation was named as the most frequent barrier faced by women in a 2011 study focused on mothers who receive TANF benefits on behalf of their children. Roughly 62 percent of women “reported having no driver’s license or car, or reported quitting a job or being unable to start a job in the previous year due to a transportation problem.”<sup>29</sup> The study concluded that “focus for policy and practice should be on the past-year barriers to work, supplemented by a focus on overcoming transportation barriers,” past-year barriers being those identified in previous research such as education, child care, and various health problems.<sup>30</sup>

Research on transportation access and low-income workers is frequently mixed with housing or environmental issues. For example, the Urban Institute published a study in March of 2014 on transportation access and economic opportunity for those receiving housing vouchers. This study notes that after federal welfare reform in the 1990’s the Transportation Equity Act of the 21st Century was passed partially to fund public transit for welfare-to-work program participants. This report suggests that since very few “extensive transit networks” were built with that funding, cars are still a more viable way to connect low income people to employment in most areas of the country. The number of conclusions in the report relating to car access “may also reflect the inadequacy of public transportation service in meeting the needs of many low income households.”<sup>31</sup> This is known as spatial mismatching, the concept that households and employment opportunities have become spread throughout metropolitan areas, making access to cars increasingly important for workers.<sup>32</sup>

Spatial mismatching also asserts that low-income workers have remained in urban core area, then are cut off to jobs located in suburban areas if they do not have access to a reliable vehicle. Other academic work on transportation access and barriers to employment has identified the concept of modal mismatching, which identifies the transportation access problem not as one of proximity between households and job locations, but a mismatch between modes of transportation and where those in need of work can afford to live.<sup>33</sup>

It is important to note that since the great recession more Americans living below the poverty line reside in suburbs rather than cities or rural areas. This is a large shift from the year 2000 when urban poverty was statistically higher than suburban poverty.<sup>34</sup> Researchers at the Brookings Institution have advised that disregarding this trend could create risk of allowing new areas of concentrated poverty to form. They also suggest that regional innovation to reconnect low-income residents to economic opportunity should be studied in the coming years.

In California much of the responsibility for transportation is already delegated to three types of regional organizations: Regional Transportation Planning Agencies, Metropolitan Planning Organizations (MPOs), and Regional Councils of Governments (RCOGs). Every county in the state is included in a Regional Transportation Planning Agency. MPOs and RCOGs are voluntary joint power authority agencies organized by cities and counties within a region. Many regional agencies and stakeholder organizations do identify transportation as a barrier to employment and continue to collect information which will be necessary for effective policy solutions.

#### Relevant Legislation on Transportation Access, 2015 - 2016

AB 620 (Hernández) – Requires the Los Angeles County Metropolitan Transportation Authority (LACMTA) to adopt eligibility requirements for mitigation measures for commuters and transit users of low and moderate income. Additionally requires LACMTA to provide hardship exemptions from the payment of toll charges for commuters who meet the eligibility requirements for specified assistance programs. AB 620 is in the Committee on Transportation.

AB 744 (Chau) – Requires a local government, upon the request of a developer that receives a density bonus, to reduce the minimum parking requirements for a housing development, if it meets specified criteria. AB 744 is currently awaiting a decision from the Governor.

SB 9 (Beall) – This bill modifies the Transit and Intercity Rail Capital Program (TIRCP) to focus on transformative capital rail and transit system improvements. SB 9 is currently awaiting a decision from the Governor.

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- <sup>5</sup> California Department of Social Services. (2013). *Local Assistance: 2012 November Estimate*.  
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