



# Strengthening Infant and Toddler Child Care in the Inland Empire: Policy Lessons and Regional Opportunities

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This **guide** will help IE Children's Cabinet members better understand the **child care challenges facing Inland Empire families and providers**. It connects local interview findings with proven approaches from other communities, helping members identify practical opportunities to improve affordability, strengthen the child care workforce, support providers, and coordinate regional action.



# ADVANCING INFANT AND TODDLER CHILD CARE ACCESS IN CALIFORNIA

## *PERSISTENT GAPS IN CHILD CARE ACCESS*

Despite being the world's fourth-largest economy, California continues to **experience a child care access crisis that affects families with infants and toddlers across the state** (Office of Governor Gavin Newsom, 2025). California's evolving child care landscape highlights a persistent gap between increased public investment and families' ability to access affordable and reliable care. The experiences of other economies comparable economic output demonstrate that affordable and reliable child care systems are achievable, indicating that California's challenges stem less from economic capacity than from policy design, investment, and implementation. Despite expanded state funding for early care and education, many eligible families continue to face barriers to accessing subsidized services, with availability varying by age and access remaining disproportionately limited for infants and toddlers (Danielson et al., 2025). **This report examines the disconnect between policy progress and persistent unmet need, focusing on affordability, access, and the structural barriers that limit opportunities for young children and working families.**

The scale of California child care access challenge is evident in the low number of eligible children enrolled in subsidized care despite widespread need. The crisis is especially severe in the Inland Empire. In both San Bernardino and Riverside counties, only 8% of eligible children receive subsidized child care services. In San Bernardino County, 12,986 of 154,797 eligible children are enrolled while in Riverside County, 13,734 of 177,891 eligible children receive services. As a result, approximately 92% of eligible children in both counties remain unserved (Saucedo, 2024). For families, limited access often means relying on informal caregiving arrangements, paying unaffordable out-of-pocket costs, or reducing work and educational participation when reliable child care is unavailable (Gibbs et al., 2026). These disparities point to an ongoing mismatch between the level of family need and the capacity of California's existing child care system, as publicly supported programs continue to serve only a fraction of eligible children (Saucedo, 2024; Danielson et al., 2025).







## **STATE EFFORTS TO EXPAND ACCESS AND AFFORDABILITY**

California has made significant investments to expand access to affordable child care and early learning opportunities, with a particular focus on strengthening early education pathways. Central to these efforts is the expansion of Transitional Kindergarten (TK), which by the 2025–26 school year has become available to all four-year-old children as part of California’s broader Universal Prekindergarten strategy (Saucedo, 2024). In addition to TK expansion, the state has committed to broader system improvements, including a multiyear plan to add more than 200,000 subsidized child care slots and implement reforms such as new providers reimbursement structure (Legislative Analyst’s Office, 2024; Danielson et al., 2025). While these efforts reflect a strong commitment to improving affordability and access, ongoing supply constraints, particularly for younger children, suggest that demand continues to exceed available capacity in many communities (Danielson et al., 2025).

## **AFFORDABILITY AND ACCESS CHALLENGES**

Despite these investments, significant barriers remain for families with infants and toddlers. Center-based infant care averages more than \$15,000 annually on average, making it the most expensive stage of care at a time when many parents are early in their careers and earning lower wages (Schumacher, 2019). For low-income and low-wage working families, these costs are often beyond what is considered affordable (Schumacher, 2019). Federal guidelines define affordable child care as costing no more than 7% of a family’s income; In a two-parent, low-wage household, each parent would need to work 147 hours per week for infant care to meet that affordability benchmark (Schumacher, 2019).

Public assistance reaches only a fraction of eligible children. In 2017, just 11.6% of eligible infants and toddlers were enrolled in subsidized child care programs, leaving nearly nine out of ten eligible young children without support (Schumacher, 2019). For many families, limited access to affordable child care creates difficult tradeoffs between caregiving, employment, and education (Gibbs et al., 2026).

## ***STRUCTURAL BARRIERS WITHIN THE CHILD CARE SYSTEM***

Affordability challenges are further compounded by structural barriers throughout California's child care system, which is characterized by complex eligibility requirements, fragmented access pathways, and long waiting lists for subsidized care (Legislative Analyst's Office, 2014). Although provider reimbursement rates have increase in recent years, they frequently remain below the true costs of delivering care, limiting providers' ability to offer competitive wages and contributing to persistent workforce shortages (Danielson et al, 2025).

Regulatory and licensing requirements can also make it difficult to expand child care capacity, particularly for infant and toddler programs, where shortages are most severe. At the same time, the expansion of Transitional Kindergarten and Universal Prekindergarten has shifted enrollment away from some child care center, reducing revenue that historically helped subsidized infant and toddler services (Danielson et al, 2025). Additional barriers, including language access challenges, immigration related concerns and a limited supply of infant toddler slots, continue to restrict access for many families.

## ***IMPACTS ON FAMILIES, PROVIDERS, AND COMMUNITIES***

These barriers have significant consequences for children, families, providers, and local communities. When child care is unavailable or unaffordable, parents may be forced to reduce work hours, delay educational goals, limit career advancement, or exit the workforce entirely (Gibbs et al., 2026). In California, child care expenses can consume up to one quarter of a family's income, placing substantial financial pressure on households already struggling to meet basic needs (Gibbs et al., 2026).

Providers face their own challenges, including rising operating costs, workforce shortages, and reimbursement rates that often fail to cover expenses (Danielson et al, 2025). Despite their critical role in supporting children's development and family economic stability, early child educators frequently earn lower wages, contributing to higher turnover, burnout, and workforce instability (Gould et al., 2019). At the same time, limitations in the supply of licensed child care and workforce challenges contribute to reduced availability of care, creating ripple effects that impact employers, local economies, and community well-being (Gibbs et al., 2026; Gould et al., 2019).





## ***LOOKING AHEAD: STRENGTHENING CALIFORNIA'S CHILD CARE SYSTEM***

Continued investment in child care subsidies, provider reimbursement rates, workforce development, and quality improvement will be essential to addressing California's persistent child care access challenges. While the state has made important progress, many families, especially those with infants and toddlers, still face significant barriers to securing affordable, reliable care. Strengthening the child care system requires not only sustained funding, but also policies that expand supply, stabilize providers, reduce administrative barriers, and improve access for families most affected by unmet needs.

A stronger child care system would benefit children, families, providers, and communities across California. Affordable, accessible care enables parents to remain employed, pursue education and training, and achieve greater financial stability. It also gives providers the resources needed to sustain operations, expand capacity, and offer more competitive compensation to educators. Most importantly, it helps ensure that young children have access to safe, nurturing, and developmentally supportive environments during a critical stage of growth. By building on recent investments while addressing persistent gaps in access and affordability, California can create a more equitable, resilient, and sustainable child care system for working families and young children across the state.



# References

## Section 1

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## THEMES AND CASE STUDIES

### THEME 1: ACCESS & EQUITY BARRIERS

Across interviews, families, providers, and system leaders consistently described the challenges of accessing child care, particularly for infants and toddlers. Many pointed to long waitlists, limited openings, and a lack of options that accommodate nontraditional work schedules. Even when care is available, cost remains a major barrier, with tuition and copayments often beyond the reach of working families. Participants also described challenges of accessing subsidy programs and finding affordable care that meets their families' needs. These barriers are especially significant for low-income families and communities that already face limited child care options. Together, these findings highlight how access is shaped by both the availability and affordability of care. The case studies that follow illustrate a range of approaches to expanding access, reducing financial barriers, and increasing public investment in child care systems.





## THEME 1: ACCESS & EQUITY BARRIERS

### CASE STUDY 1: NEW MEXICO UNIVERSAL CHILD CARE

#### **Inland Empire interview connection:**

“A parent is not going to pay me \$300 a week for an infant. They’re like, ‘What am I working for?’ because I’m making minimum wage.” — Family child care provider interview [C1]

New Mexico’s universal child care policy offers one of the strongest state-level examples of how child care can be treated as public infrastructure rather than a private family expense. This case directly speaks to the Inland Empire interviews, where providers and advocates described affordability as one of the most urgent access barriers for families with infants and toddlers. Interview participants repeatedly explained that families in low-income communities often cannot afford licensed child care and are forced to rely on informal arrangements with relatives, neighbors, or unlicensed providers. While those arrangements may be more affordable, interviewees raised concerns about safety, reliability, developmental quality, and the lack of formal support for children ages 0–3.

New Mexico began by expanding no-cost child care assistance to families earning up to 400% of the federal poverty level and later announced universal access to no-cost child care regardless of income. The state also waived family copayments and invested in reimbursement rates for providers. This approach is important because it recognizes that family affordability and provider sustainability must be addressed together. If families receive subsidies, but reimbursement rates remain too low, providers cannot afford to serve them. If providers are supported but families still face high copays, access remains limited.



**Implementation approach:**

New Mexico's reforms were implemented through the state's Early Childhood Education and Care Department, created in 2019. This centralized early childhood agency gave the state a stronger governance structure for aligning child care, early learning, family support, and funding. The universal child care approach expands subsidy eligibility, removes income limits, waives copays, and supports facility expansion and provider recruitment.

**Funding strategy:**

The state relies on major public investment, including early childhood trust funds and revenue connected to the state's Land Grant Permanent Fund. This matters because New Mexico did not rely only on temporary relief dollars. Instead, it built a long-term financing structure for early childhood investment.

**Outcomes and impacts:**

New Mexico's child care reforms were built around a true-cost funding model designed to make child care more affordable for families while improving financial stability for providers. In 2022, the state expanded eligibility for child care assistance to families earning up to 400% of the federal poverty level, making thousands of additional families eligible for support. The state also eliminated family copayments for most participants and increased reimbursement rates based on the actual cost of providing care rather than relying solely on market-rate surveys.

A key feature of the reform was New Mexico's use of a cost estimation model to determine subsidy rates. According to the state's Child Care Assistance regulations, rates were intentionally designed to reflect the "true cost of delivering high-quality early childhood education" and to ensure equal access for families receiving subsidies.

The reforms produced several measurable outcomes. Child care assistance participation increased significantly following eligibility expansion, and thousands of additional children gained access to subsidized care. Families benefited from lower out-of-pocket costs, while providers received higher reimbursement rates that better reflected staffing, facilities, and operational expenses. By linking affordability reforms with provider funding, New Mexico sought to address both family access and provider sustainability simultaneously.

Beyond child care access, state leaders framed the policy as an economic development strategy. By reducing child care costs, the reforms aimed to increase workforce participation among parents, particularly mothers, while improving the availability and quality of care for young children.

**Why It Matters:**

New Mexico's reforms are significant because they address both sides of the child care equation: family affordability and provider sustainability. Rather than treating child care as a private family expense, the state framed early childhood services as a public investment in workforce participation, economic development, and child well-being.

**Limitations:**

Universal affordability does not automatically create enough infant/toddler slots. Like the Inland Empire, New Mexico still faces supply challenges, provider shortages, and facilities needs. The policy must therefore be paired with workforce compensation, facilities funding, family child care recruitment, and reimbursement reform.

**Key lessons for the Inland Empire:**

For Riverside and San Bernardino Counties, the New Mexico model demonstrates that affordability reforms are most effective when paired with reimbursement reform and long-term funding commitments. Interview participants consistently identified cost as a major barrier to access while providers reported difficulty maintaining financial stability. New Mexico's approach suggests that expanding eligibility, reducing family copayments, funding care at the true cost of delivery, and investing in provider capacity can help create a more equitable and sustainable child care system.







## THEME 1: ACCESS & EQUITY BARRIERS

### CASE STUDY 2: SAN FRANCISCO “BABY” PROPOSITION C

#### **Inland Empire interview connection:**

“The Inland Empire is a child care desert... families have to go far just to do a drop-off and pick-up.” — Child care advocate interview [C2]

San Francisco’s “Baby” Proposition C offers a California-based example of how local governments can raise dedicated revenue for child care and early education. Passed by voters in 2018, Proposition C created a commercial rent tax for child care and early education. The measure was designed to generate local revenue to expand access, improve affordability, and support the early care and education workforce.

Although San Francisco’s economic base differs from the Inland Empire, the case is useful because it demonstrates that local governments do not have to wait for state or federal action to invest in child care. In the Inland Empire interviews, participants described a mismatch between family needs and available resources. Families face long distances, limited transportation, nontraditional work schedules, high tuition, and confusion about subsidy eligibility. San Francisco’s model responds to a similar problem from a different angle: local public revenue can be dedicated to child care infrastructure.

#### **Implementation approach:**

Proposition C authorized a tax on commercial property leases for landlords above a revenue threshold. The majority of revenue is dedicated to early care and education. The policy was delayed by litigation, but after legal issues were resolved, San Francisco began using accumulated funds to expand affordability programs and support the early learning system.

Implementation was delayed because of legal challenges regarding California voter-approval requirements for local special taxes. Opponents argued that the measure required a two-thirds voter threshold rather than a simple majority. As litigation moved through the courts, San Francisco was unable to immediately spend the revenue generated by the tax. Following several court decisions and changes in California case law, the city ultimately prevailed, allowing accumulated funds to be released and invested in early childhood programs. As a result, hundreds of millions of dollars became available to support affordability initiatives, workforce investments, and expanded access to early care and education.

**Funding strategy:**

The funding model is a local commercial rent tax. This is significant because it creates a dedicated revenue stream for child care rather than forcing early childhood programs to compete annually for general fund dollars. A dedicated revenue model also gives advocates a clearer way to hold local government accountable for implementation.

**Outcomes and impacts:**

The Early Care and Education for All Initiative established a dedicated local funding stream to improve affordability, increase access, and strengthen the early childhood workforce. The ordinance specifically directed revenue toward expanding access to quality early care and education, supporting workforce development, and improving services for San Francisco families.

The significance of Proposition C is not simply the amount of money generated, but the creation of a sustainable funding mechanism that does not depend on annual budget negotiations. By creating the Babies and Families First Fund, San Francisco institutionalized long-term investment in early childhood services and demonstrated how local governments can generate dedicated revenue to address child care affordability and access challenges.

**Limitations:**

The main limitation is replicability. The Inland Empire does not have San Francisco's commercial real estate market. A commercial rent tax may not generate the same level of revenue in Riverside or San Bernardino Counties. The legal delay also shows that local tax measures must be carefully designed to avoid implementation setbacks.

**Key lessons for the Inland Empire:**

The Inland Empire should not copy San Francisco's tax structure without adaptation, but it can learn from the dedicated-revenue model. Regional partners could explore the implementation of a children's fund, county ballot measure, employer-linked child care contribution, or public-private early childhood fund. This case also supports the broader principle that child care access requires ongoing local infrastructure funding, not just temporary grants.



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## THEMES AND CASE STUDIES

### THEME 2: WORKFORCE & PROVIDER SUSTAINABILITY

A clear theme across interviews was the strain on the child care workforce and the growing instability facing providers. Participants described ongoing staffing shortages, difficulties recruiting qualified educators, and compensation levels that make it difficult for workers to remain in the field. Providers also spoke about burnout, isolation, and the challenge of sustaining programs while managing rising operational costs. These pressures are especially acute for small and home-based providers, who often have limited access to flexible funding and business support services. In some cases, these conditions have led to reduced program capacity or closures, further constraining the supply of child care. Together, these experiences highlight the critical role of workforce stability in the broader child care system and underscore the need for policies that strengthen compensation, improve retention, and support the long-term sustainability of the early childhood workforce. The case studies that follow examine how wage equity initiatives and salary supplement programs can help address these challenges.







## THEME 2: WORKFORCE & PROVIDER SUSTAINABILITY

### CASE STUDY 3: WASHINGTON, D.C. EARLY CHILDHOOD EDUCATOR PAY EQUITY FUND

#### **Inland Empire interview connection:**

“Our early educators are not paid enough for the hard job they have. That causes turnover, which is not good for children, not good for families.” — Early childhood systems interview [C3]

Washington, D.C.’s Early Childhood Educator Pay Equity Fund is one of the strongest examples of a public policy designed to address early educator compensation directly. This case is especially relevant to the Inland Empire because interview participants consistently connected workforce instability to low pay, burnout, and provider sustainability. Providers described losing staff to jobs with better wages, benefits, and less emotional labor. Others described the difficulty of operating a family child care business while paying employees, payroll taxes, workers’ compensation, insurance, supplies, food, and licensing costs.

The D.C. Pay Equity Fund recognizes that early educators are part of the education workforce and should not be paid poverty-level wages for highly skilled developmental work. Under the program, participating child development facilities must pay eligible early educators minimum salaries established by the Office of the State Superintendent of Education. The policy aims to bring early educator compensation closer to the salaries of public-school teachers with comparable credentials.

#### **Implementation approach:**

The Washington, D.C. Pay Equity Fund (PEF) was created through the Birth-to-Three for All DC Act to address longstanding compensation disparities between early childhood educators and public school teachers. The program recognizes that early educators perform complex educational work but have historically earned significantly lower wages despite similar responsibilities.

The Pay Equity Fund operates through a two-phase approach. Initially, eligible educators received direct supplemental payments. The long-term model shifted toward program-level funding, where licensed child development facilities voluntarily participate in the program and receive funding through the Office of the State Superintendent of Education (OSSE). Participating providers agree to pay educators according to an established salary scale based on role, credentials, and experience.

Rather than requiring providers to independently raise wages, the District provides funding that allows programs to increase compensation while maintaining affordability for families. This approach was intentionally designed to avoid passing additional labor costs directly to parents through tuition increases

**Funding strategy:**

The Pay Equity Fund (PEF) is a publicly funded compensation initiative established through the Birth-to-Three for All DC Act and administered by the Office of the State Superintendent of Education (OSSE). Funding is provided through annual District government appropriations and distributed to participating child development facilities that opt into the program. Rather than requiring providers to increase tuition to raise educator salaries, the District uses public funds to offset payroll costs and support compensation increases. This approach recognizes that the private child care market alone cannot generate wages comparable to those earned by public school educators while maintaining affordability for families.





**Outcomes and impacts:**

The Equitable Compensation Task Force recommended annual supplemental payments of \$10,000 for assistant teachers and \$14,000 for lead teachers during the program's initial phase, with the long-term goal of implementing a compensation scale based on educator role, credentials, and experience.

The Pay Equity Fund was specifically designed to address compensation disparities affecting educators working in child development centers and family child care homes serving infants, toddlers, and preschool-aged children. By creating a publicly funded compensation system, the District sought to improve educator recruitment, retention, and financial stability while preventing increased labor costs from being passed directly to families through higher tuition.

The initiative has received national attention as one of the first large-scale efforts in the U.S. to pursue compensation parity between early childhood educators and public school educators, positioning Washington, D.C. as a national leader in early childhood workforce policy.

**Limitations:**

The program has faced political and budget pressures, showing that compensation reform requires protected, sustainable funding. Wage equity programs can lose impact if they are treated as optional annual expenditures rather than core infrastructure.

**Key lessons for the Inland Empire:**

The Inland Empire cannot solve child care shortages without solving workforce pay. A local or state policy agenda should include salary supplements, wage floors, or publicly funded compensation contracts for infant/toddler educators. D.C.'s model also shows that workforce funding must be designed so that parent tuition does not rise. This case supports recommending compensation reform as an access strategy, not just a workforce benefit.





## THEME 2: WORKFORCE & PROVIDER SUSTAINABILITY

### CASE STUDY 4: MAINE EARLY CHILDHOOD EDUCATOR WORKFORCE SALARY SUPPLEMENT SYSTEM

#### **Inland Empire interview connection:**

“Providers are experiencing high levels of stress and burnout, which directly impacts the availability and quality of care for young children.” — Provider systems interview summary [C4]

Maine’s Early Childhood Educator Workforce Salary Supplement System offers a more administratively modest but highly relevant workforce model. Unlike D.C.’s large-scale pay equity approach, Maine provides monthly salary supplements to eligible early childhood educators and licensed family child care providers. The supplement is tiered based on education and experience levels.

This case is useful for the Inland Empire because many providers are small centers or home-based. Interview participants explained that small and home-based providers often lack access to flexible grants, business support, and sustainable funding. They also face burnout, isolation, administrative burdens, and language barriers. A salary supplement model can be easier to implement than a full wage-scale overhaul while still providing immediate relief.

#### **Implementation approach:**

Maine administers the salary supplement through its Office of Child and Family Services. Eligible educators must work in licensed child care settings or be licensed family child care providers. The state uses registry levels to determine supplement tiers, connecting compensation support to professional development and experience.



**Funding strategy:**

The program uses state-administered public funding. Maine increased appropriations for the supplement system, allowing monthly payments to rise. Current listed monthly amounts are tiered, with higher supplements for educators at higher registry levels.

**Outcomes and impacts:**

The program's goals are to increase regular compensation, reduce turnover, support retention, and recognize professional experience. Maine's model is especially useful because it shows that wage supplements can be built into a state system without requiring every provider to redesign their entire payroll structure.

**Limitations:**

Salary supplements are helpful but may not be enough if base wages remain too low. They can also become unstable if funding levels change year to year. Supplements should therefore be treated as one part of a broader workforce strategy that includes reimbursement reform, benefits, training, and paid planning time.

**Key lessons for the Inland Empire:**

Maine's model could be adapted for California or piloted regionally through county partnerships. The Inland Empire could prioritize supplements for infant/toddler educators, bilingual providers, providers serving subsidized families, and home-based providers in child care deserts. This case also supports a recommendation for tiered workforce supports tied to training, language access, infant/toddler specialization, and years of service.



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## THEMES AND CASE STUDIES

### THEME 3: CHILD CARE FINANCING & POLICY REFORM

Many interview participants described a child care financing and policy landscape that is difficult to navigate and does not adequately support providers or families. Subsidy systems were frequently described as difficult to access and insufficient to cover the true cost of care, with reimbursement rates that often fall short of operational realities. Providers also pointed to funding instability and reliance on short-term resources, which make long-term planning, workforce retention, and program sustainability increasingly difficult. In addition, policy changes such as Universal Prekindergarten (UPK) and Transitional Kindergarten (TK) expansion were identified as influencing enrollment patterns in ways that can unintentionally destabilize providers.

Together, these insights highlight the need for structural reforms that improve affordability for families, provide more adequate and predictable funding for providers, and better align public investments with the realities of delivering high-quality infant and toddler care. The case studies that follow explore how financing reforms, reimbursement strategies, and innovative funding partnerships can help address these challenges while strengthening the long-term stability of the child care system.





## THEME 3: CHILD CARE FINANCING & POLICY REFORM

### CASE STUDY 5: VERMONT ACT 76 CHILD CARE REFORM

#### **Inland Empire interview connection:**

“Reimbursement systems are currently insufficient and not reflective of actual costs” — Provider systems interview summary [C5]

Vermont’s Act 76 is one of the strongest examples of state child care financing reform because it addresses both family affordability and provider reimbursement. Passed in 2023, Act 76 expands child care financial assistance, increases reimbursement rates, and creates a dedicated Child Care Contribution payroll tax to fund child care investments.

This case directly connects to the Inland Empire interviews. Providers repeatedly described a system where reimbursement does not reflect the true cost of infant/toddler care. Interviewees also described payment instability, confusion around subsidies, and concern about being paid based on attendance rather than enrollment. These issues make it difficult for providers to budget, retain staff, or keep infant/toddler slots open.

#### **Implementation approach:**

Vermont’s reform expands eligibility for the state’s Child Care Financial Assistance Program and increases provider reimbursement rates. The reform is designed to reduce family costs while helping providers receive more predictable and adequate funding.



**Funding strategy:**

Act 76 created a 0.44% Child Care Contribution payroll tax. Employers pay at least 0.33%, and employees may pay up to 0.11%. This dedicated funding stream is one of the most important parts of the model because it treats child care as workforce and economic infrastructure.

**Outcomes and impacts:**

Act 76 directly expanded eligibility to higher-income families, reduced or waived copays for lower-income families, and increased provider reimbursement rates. It is designed to help families afford care while stabilizing providers.

**Limitations:**

Payroll taxes can face political resistance from employers or workers. The policy also requires strong administrative capacity so families understand eligibility and providers receive payments efficiently. Vermont's smaller population makes implementation easier than it would be in California.

**Key lessons for the Inland Empire:**

The most important lesson is that funding reform must address the true cost of care. The Inland Empire should advocate for reimbursement based on enrollment rather than daily attendance, higher infant/toddler rates, and funding formulas that account for staffing ratios, language access, transportation, and small-provider costs. Vermont's payroll contribution model could also inform conversations with major regional employers, especially in logistics, health care, education, and public agencies.







## THEME 3: CHILD CARE FINANCING & POLICY REFORM

### CASE STUDY 6: MICHIGAN MI TRI- SHARE CHILD CARE PROGRAM

#### **Inland Empire interview connection:**

“There are warehouses and corporations here...child care is critical for their employees.” —Child care advocate interview [C6]

Michigan’s MI Tri-Share Child Care Program offers a useful employer partnership model for communities where child care access affects workforce participation. Under MI Tri-Share, the cost of licensed child care is split equally among the employer, employee, and the State of Michigan. Regional facilitator hubs help administer the program, support employer participation, and manage payments.

This case is especially relevant to the Inland Empire because the region’s economy includes logistics, warehousing, health care, education, and shift-based work. Interview participants described parents working nontraditional hours, commuting long distances, and struggling to find care that matches work schedules. They also suggested that large corporations and employers should be part of the solution.

#### **Implementation approach:**

Employers voluntarily participate in MI Tri-Share. Eligible employees receive child care cost support through a three-way split. Regional hubs help connect families, employers, and providers. The model frames child care as a workforce retention strategy.

**Funding strategy:**

The cost is shared: one-third employer, one-third employee, one-third state. This makes child care more affordable for families while engaging employers directly in the solution.

**Outcomes and impacts:**

The program has expanded to multiple regions and has been replicated or considered by other states. It can help reduce child care costs for working families and support employer recruitment and retention.

**Limitations:**

Tri-Share does not solve the whole child care crisis. It helps with affordability but does not automatically create new infant/toddler slots. It also depends on employer participation, which can be uneven. Some communities may have few employers enrolled, limiting impact.

**Key lessons for the Inland Empire:**

MI Tri-Share could inform a regional employer child care strategy, especially for large IE employers. However, it should not replace public investment. A strong IE model would pair employer cost-sharing with infant/toddler slot creation, provider grants, facilities support, and nontraditional-hours care. The case is best used as a targeted workforce-affordability tool, not a universal child care solution.





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## Theme 3

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## THEMES AND CASE STUDIES

### THEME 4: SYSTEMS COORDINATION & REFORM

Across interviews, there was a strong sense that the child care system operates in silos, with limited coordination among sectors such as early learning, health care, and family support services. Participants described how families are often left to navigate these disconnected systems on their own, while providers frequently assume informal navigator roles without adequate support. At the same time, there was a clear call for stronger collaboration, improved technical assistance, greater inclusion of provider voices in decision-making, and stronger infrastructure to support long-term systems change. Many participants emphasized the need for coordinated leadership and sustained investment rather than isolated or short-term solutions. Together, these perspectives highlight the importance of integrated approaches to strengthening the child care system. The case studies that follow demonstrate how coordination, partnership, governance structures, and system-level reforms can help address these challenges in practice.







## THEME 4: SYSTEMS COORDINATION & REFORM

### CASE STUDY 7: HELP ME GROW

#### **Inland Empire interview connection:**

“Families don’t always know the resources available until they meet somebody who says, ‘Here, these are the resources for you.’” — Family child care provider interview [C7]

Help Me Grow is a national systems coordination model designed to connect families to early childhood resources through a centralized access point, family and community outreach, child health provider outreach, and data collection. It does not replace existing services. Instead, it creates a coordinated “front door” so families, providers, pediatricians, and community organizations can navigate services more effectively.

Inland Empire interviewees described fragmented systems, confusing eligibility processes, lack of trust, language barriers, and limited warm handoffs. Providers often become informal navigators for families, helping them understand subsidies, developmental concerns, county programs, and early learning options. Help Me Grow responds to this exact problem by creating a formal system for navigation and referral.

#### **Implementation approach:**

Help Me Grow systems typically include a centralized access point, outreach to families and communities, outreach to child health providers, and data collection for continuous improvement. Families can be connected to developmental screening, early intervention, child care resources, parenting support, and community services.

**Funding strategy:**

Funding varies by state and locality. Help Me Grow systems often braid funding from public health, early childhood agencies, Medicaid-related partnerships, philanthropic grants, First 5 agencies, and local government. The model's strength is that it coordinates existing services rather than requiring every service to be newly created.

**Outcomes and impacts:**

Help Me Grow is used across multiple states and localities to improve early identification, referral, and linkage to services. Its strongest value is systems coordination: helping families move across health, early learning, developmental, and family support systems.

**Limitations:**

A referral line alone is not enough. If there are not enough child care slots, early intervention providers, or bilingual navigators, families may still face barriers. Help Me Grow must include follow-up, warm handoffs, data tracking, and accountability.

**Key lessons for the Inland Empire:**

The Inland Empire would benefit from a multilingual centralized navigation hub connected to child care, First 5, pediatric practices, county agencies, resource and referral systems, and community-based organizations. The model should prioritize trust-building with immigrant families, Spanish-speaking providers, and families working nontraditional schedules. Help Me Grow also offers a way to collect data on unmet needs, which can strengthen county policy advocacy.







## THEME 4: SYSTEMS COORDINATION & REFORM

### CASE STUDY 8: FIRST 5 CALIFORNIA COUNTY INFRASTRUCTURE MODEL

#### **Inland Empire interview connection:**

“Policies will be more effective when they are informed by the lived experiences of providers on the ground.” — Provider systems interview summary [C8]

First 5 California is a statewide early childhood infrastructure model created by Proposition 10, the California Children and Families Act of 1998. Funded through tobacco tax revenue, First 5 supports programs for children from the prenatal stage through age five, including health, parent education, child care, and family support. Funds are distributed through a statewide commission and county-level First 5 commissions.

Unlike the other case studies, this is not an outside model that would need to be imported. The Inland Empire already has First 5 Riverside County and First 5 San Bernardino. It is an existing infrastructure that could be strengthened, aligned, and used more strategically for infant/toddler child care systems reform.

#### **Implementation approach:**

First 5 uses a county-based structure that allows local commissions to respond to local needs. This is important for the Inland Empire because Riverside and San Bernardino Counties face different geography, provider markets, transportation challenges, and population needs. County-level implementation allows for more targeted investments in family support, quality improvement, systems coordination, and early childhood partnerships.

**Funding strategy:**

First 5 is funded through Proposition 10 tobacco tax revenues. Eighty percent of tobacco tax funds are distributed to county commissions based on birth rates, while a portion supports statewide work. This structure gives counties flexible funding for early childhood priorities.

**Outcomes and impacts:**

First5 has supported early childhood programs across California for decades, including homevisiting, developmental screening, parent education, quality improvement, and child care initiatives. It has helped build local early childhood capacity and created a policy platform for children ages 0–5.

**Limitations:**

Tobacco tax revenue declines over time as smoking decreases. This creates sustainability challenges. First 5 also cannot solve the child care crisis alone, especially if funding is not aligned with state subsidy systems, workforce compensation, licensing reform, and provider voice.

**Key lessons for the Inland Empire:**

First 5 should be viewed as a regional systems leader rather than solely a funding agency. The Inland Empire interviews highlighted fragmented services, difficulties navigating resources, workforce shortage, provider sustainability challenges, and limited opportunities for provider input in policy decisions. These findings suggest that strengthening coordination across agencies may be just as important as expanding funding.

Based on the interview findings and the First 5 model, several regional policy and program changes could be considered. First, First 5 San Bernardino could expand investments in multilingual family navigation systems that help parents access child care subsidies, developmental screenings, health services, and early intervention programs through a single point of entry. Second, counties could establish formal provider advisory councils to ensure that family child care providers, center directors, and community-based organizations have a direct role in shaping local early childhood policies. Third, First 5 agencies could increase targeted investments in infant and toddler care through provider micro-grants, facility improvement funding, and workforce development supports, particularly in communities identified as child care deserts.



The interviews also suggest a need for stronger coordination between First 5 commissions, Local Planning Councils, Resource and Referral agencies, school districts, county agencies, and community-based organizations. As California continues implementing Universal Prekindergarten (UPK), local partners should work together to reduce unintended disruptions to the mixed-delivery system and ensure that family child care homes and community-based providers remain financially sustainable.

Finally, because Proposition 10 tobacco tax revenues continue to decline, regional leaders should explore additional funding mechanisms that can sustain early childhood investments over the long term. Potential strategies include public-private partnerships, county children's funds, employer-supported child care initiatives, and advocacy for increased state investment in infant and toddler care. Rather than relying on a single funding source, the Inland Empire could benefit from a diversified financing strategy that strengthens both service delivery and systems coordination.



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## Theme 4

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## METHOD, APPLICATION & NEXT STEPS

### **Interview Anonymity Note:**

To protect confidentiality, all interview participants are identified using descriptive titles rather than names. Interviews were conducted between May and June 2026 with child care providers, advocates, early childhood system leaders, and community stakeholders across Riverside and San Bernardino Counties.

### **Application to California / Regional Context**

The case studies suggest that California and the Inland Empire do not need to invent an entirely new child care system from scratch. Instead, local leaders can adapt proven strategies from other states and cities while grounding implementation in the region's specific needs: affordability, infant/toddler supply, provider sustainability, nontraditional work schedules, language access, and fragmented systems of support.

### **Policies That Could Be Replicated or Adapted**

First, California could build on New Mexico's universal child care model by expanding subsidy eligibility, reducing or eliminating family copayments, and investing in reimbursement rates that reflect the true cost of care. This is especially relevant to the Inland Empire, where interview participants described infant care as unaffordable for many working families. Rather than limiting assistance only to the lowest-income households, California could move toward a broader affordability model that supports low-income and working-class families who still cannot afford licensed care.

Second, San Francisco's Baby Proposition C offers a model for dedicated local revenue. While Riverside and San Bernardino Counties may not be able to replicate San Francisco's commercial rent tax exactly, the Inland Empire could explore a regional children's fund, county ballot measure, public-private child care fund, or employer-linked contribution model. Dedicated revenue would help reduce reliance on short-term grants and allow counties to invest in infant/toddler slots, provider micro-grants, and family navigation services.

Third, Washington, D.C.'s Pay Equity Fund and Maine's salary supplement program could inform California workforce strategies. Inland Empire providers repeatedly identified low pay, burnout, and staff turnover as threats to provider sustainability. California could adapt these models by creating wage supplements or salary floors for infant/toddler educators, especially for bilingual providers, family child care homes, and providers serving subsidized families.

Fourth, Vermont's Act 76 shows the importance of connecting family affordability with provider reimbursement reform. California is already moving toward a cost-of-care-informed reimbursement system, which creates an opportunity to advocate for rates that reflect the actual cost of infant/toddler care, including smaller ratios, higher staffing needs, insurance, payroll taxes, food, supplies, facilities, and administrative work.

Fifth, Michigan's MI Tri-Share model could be adapted for the Inland Empire's workforce economy. Because the region has major employers in logistics, warehousing, health care, education, and public service, a cost-sharing model between employers, employees, and government could help working families afford care. However, this should be treated as a targeted strategy, not a replacement for public investment.

Finally, Help Me Grow and First 5 California provide strong models for systems coordination. The Inland Empire already has First 5 Riverside County and First 5 San Bernardino, making this an existing infrastructure that can be strengthened. A regional navigation model could help families understand child care options, subsidy eligibility, developmental screening, early intervention, and community supports.

### **Potential Barriers to Implementation**

Several barriers could limit implementation in California and the Inland Empire. The first is funding. Universal child care, wage supplements, and reimbursement reform require long-term public investment. One-time grants or temporary stabilization payments may help providers survive in the short term, but they do not create a sustainable system.

A second barrier is the impact of UPK and TK expansion on the mixed-delivery system. Interview participants described UPK as disruptive because 3- and 4-year-olds are moving into school-based settings, leaving many child care providers with fewer older children and more pressure to fill infant/toddler slots. Since infant care is more expensive and requires lower ratios, providers may struggle financially unless reimbursement rates and regulations adjust.

A third barrier is administrative complexity. Families and providers already experience child care systems as confusing, paperwork-heavy, and difficult to navigate. Expanding programs without simplifying access could reproduce the same inequities. Any new policy should include multilingual outreach, culturally responsive navigation, and technical assistance for small and home-based providers.

A fourth barrier is workforce capacity. Expanding child care slots without addressing wages, benefits, and training could worsen burnout. Providers cannot be expected to serve more infants and toddlers while compensation remains low and reimbursement does not cover actual costs.

A fifth barrier is trust. Interview participants described families, immigrant communities, and Spanish-speaking providers as sometimes hesitant to engage with formal systems due to language barriers, fear, or negative experiences with agencies. Successful implementation will require trusted messengers, provider voice, and community-based organizations.

### Opportunities for Local Implementation

Despite these barriers, the Inland Empire has important opportunities. First, the region already has strong early childhood partners, including First 5, child care resource and referral agencies, Local Planning Councils, county offices of education, community-based organizations, and provider networks. These partners could form the backbone of a regional child care strategy.

Second, California's ongoing rate reform creates an advocacy opportunity. Local leaders can use interview data to show why infant/toddler reimbursement must reflect the true cost of care in Riverside and San Bernardino Counties. The interviews provide evidence that providers are struggling with staffing, payroll, licensing costs, insurance, transportation, and enrollment instability.

Third, UPK mixed-delivery planning creates an opening to advocate for better coordination between school districts, family child care providers, centers, and resource and referral agencies. Rather than allowing TK expansion to destabilize existing providers, counties can develop transition plans, shared referral systems, and funding strategies that preserve infant/toddler care. Fourth, the Inland Empire's employer base creates opportunities for employer-supported child care strategies. Large employers, hospitals, universities, school districts, warehouses, and logistics companies could be engaged in child care affordability efforts, especially for parents working nontraditional hours.

Fifth, First 5 Riverside and First 5 San Bernardino can play a larger role as regional conveners. They could support micro-grants for home-based providers, multilingual family navigation, infant/toddler workforce training, provider leadership development, and data collection on unmet child care needs.



### Local Policy, Advocacy, and Program Strategies

Based on the case studies and Inland Empire interviews, local policy efforts should prioritize five strategies.

First, advocate for true cost-of-care reimbursement, especially for infant/toddler care. Rates should reflect staffing ratios, provider wages, benefits, facilities, supplies, food, insurance, and administrative costs.

Second, create a regional infant/toddler provider sustainability fund. This fund could offer micro-grants, start-up grants, facility improvement support, business coaching, and emergency stabilization funds for family child care homes and small centers.

Third, develop a multilingual child care navigation hub. This could be modeled after Help Me Grow and connected to First 5, resource and referral agencies, pediatric providers, and community organizations. The goal would be to help families understand options, subsidies, developmental screening, and early intervention supports.

Fourth, establish a provider advisory council made up of family child care providers, center directors, Spanish-speaking providers, parent representatives, and providers serving immigrant and low-income communities. This would ensure that policies are shaped by lived experience rather than only institutional perspectives.

Fifth, engage employers in child care solutions. The Inland Empire should explore a regional employer child care compact that encourages major employers to contribute to child care affordability, nontraditional-hours care, and near-site or community-based child care partnerships.

Overall, the strongest application to California and the Inland Empire is not one single policy. The strongest approach is a coordinated regional strategy that combines affordability, workforce compensation, provider sustainability, mixed-delivery planning, employer engagement, and systems navigation. The Inland Empire's child care challenges are interconnected, so the policy response must be interconnected as well.

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