



December 6, 2011

CAPPA Board of Directors

Honorable Tom Torlakson
California State Superintendent of Public Instruction
1430 N Street
Sacramento, CA 95814

Via email: superintendent@cde.ca.gov

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Dear Superintendent Torlakson,

On behalf of the California Alternative Payment Program Association (CAPPA) I am writing to you today to express deep concern about the identified funding shortfalls in CalWORKs Stage 2 and Stage 3 child care programs in this fiscal year (FY). It is our desire to work and/or offer any support to the department in putting together a plan for how to articulate these issues to the legislature and Department of Finance in order to secure the additional funding needed to keep low income families working. In addition, Alternative Payment Program (APPs) contractors need some immediate and clear direction from the department as to how to either continue operating and/or communicating with families.

On December 5th CAPPA invited legislative staff and Department staff (Ms. Camille Maben and Ms. Roxanne Eres) to a meeting with other APP contractors from across the State to discuss Stage 3 and other contracting issues. Unfortunately, Ms. Eres was unable to attend the meeting but Ms. Maben was able to attend and assured us that she was aware of the Stage 3 funding situation. While we appreciate the Department's willingness to look at the numbers, we feel that this is a very urgent matter that needs some action, communication and resolution quickly. In preparation for the meeting, we queried agencies (Attachment 1) on their Stage 2 and 3 contracts. We found that most agencies were overspent in Stage 3 and running out of money in the next 3 months. One agency reported that they ran out of Stage 3 money in November and had already stopped enrolling families. While CAPPA staff was surprised that we had not heard from that agency, we were even more surprised and shocked when the Department staff came to our meeting on December 5th and said that they did not know it either. On this note, we would like to understand the data CDFS staffs are viewing monthly. In previous years we understood that case load reports and fiscal reports were used of which many agencies, and that this information was shared with the Department. Many agencies still use the tool developed by CDFS (Attachment 2).

It is clear that the department is understaffed and struggling to manage this funding situation. Our concern is that in the end, the people that will suffer the most from this inability to secure the needed funding will be the families and children who access Stage 3 child care services through their local APP agency. It is our understanding from talking to various department staff and other fiscal and legislative staff that there are some unspent federal monies that could be used to offset the Stage 3 shortfall. We look to your leadership to determine if this is feasible and how to proceed either via a Section letter or other administrative remedies.

However the department chooses to proceed in this matter, we respectfully request that you involve your partners and stakeholders in the process. CAPPA is ready and willing to serve whatever role that you may need us to be in. Whether it be applying pressure where needed and/or to help with field communication. CAPPA stands ready and willing to be a partner. This situation is dire and the field needs some communication from its administering State agency as to how to proceed. Silence is not an option. We look forward to your response to our request.

Warm regards,

Denyne M. Kowalewski, Executive Director

Cc: Ms. Camille Maben (cmaben@cde.ca.gov), Director, Child Development Division
Ms. Erin Gabel (egabel@cde.ca.gov), Director, Government Affairs Division
Ms. Roxanne Eres (eres@cde.ca.gov), Director, Fiscal and Administrative Services Division
Ms. Gail Gronert (gail.gronert@asm.ca.gov), Senior Consultant, Speaker John A. Pérez
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