



CHILDREN LEARNING, PARENTS EARNING 1451 River Park Drive, Suite 185, Sacramento, CA 95815 Phone: (916) 567-6797 FAX: (916) 567-6790

May 6, 2015

CAPPA Board of Directors

To: Members of the California State Legislature

From: Denyne M. Micheletti, CEO, CAPPA

RE: Support investments in children and working families

Rose Padilla-Johnson, President
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On behalf of the California Alternative Payment Program Association (CAPPA), a network of mixed community based public and private agencies that support parental choice and access of working poor families to child care in a variety of settings and educational programs for children from birth on, we would like to go on record strongly supporting funding of our existing child care *safety net* needed by families to work.

As we get prepared for next week's release of the Governor's 2015-16 May Revise, we would like to share with you what we know now.

We know:

1. Working families need child care in order to work and move towards self-sufficiency.
2. Child care providers in all settings are not paid at a rate that is livable, sustainable, and that values the most critical of services provided to children from birth on.
3. The existing *safety net* has been cut to such a level that families are suffering from loss of access to caseworkers, to information on early care settings that may better support a child's cognitive needs, and other family stability opportunities.

We support the following:

1. The California Legislative Women's Caucus to request an investment of no less than \$600 million dollars be dedicated to the child care system.
2. An increase in rates, slots and enrollment/access to all parts of our existing mixed delivery system.
3. Strengthening 12 month eligibility determination/redetermination for families.
4. Strengthening continuity of care for families to access all eligible federal and state funded programs.

To realize the above, we respectfully submit the following recommendations:

Recommendation 1: Increase parental choice and access for working families to quality child care settings (slots) that meet their needs for full-day, full-year, and twenty-four hour/seven days per week. Although a modest increase was realized in the 2014-15 budget, since 2007-08 110,000 children have been disenrolled and denied access to early childhood education,¹ including 7000 fewer infants; closed the doors of thousands of family child care businesses across the state; and created a sub-minimum, non-competitive hourly wage of

¹ California Child Care Resource & Referral Network, *Child Care Funding Reductions 2008-2012* www.rrnetwork.org

\$2.22 for part-time child care providers.² In reflection, the modest increase in the Regional Market Rate going from the

2005 survey to the 2009 minus a 10.11 percent reduction factor enacted in the 2014-15 budget³ coupled with the devastation realized since 2007-08 still has the number of funded slots nearly one-quarter below what it was in the 2007-08 budget. According to the 2013 California Child Care Portfolio⁴ there are just over 1 million licensed child care spaces available for an estimated 4.2 million children 0-12 years old whose parents are in the workforce.

Additionally, the working families that come through our doors require child care options inclusive of off-hour and weekend care. The families we support oftentimes work in industries such as retail, hospitality, health care and agriculture to note a few, that require child care access options in order to hold down a job and move towards self-sufficiency.

Recommendation 2: Reinvest funding into the existing mixed delivery, public and private community based partnerships meeting the “parental choice” needs of working families with early care and educational opportunities. Currently there exists a 36 plus year delivery infrastructure in place in each county to meet the twenty-four hour, seven days a week needs of working families and children from birth on. This existing infrastructure of Alternative Payment Programs (APPs), Resource & Referral agencies, high quality Title 5 centers, Family Child Care Home Education Networks (FCCHENs), family child care and small business early care and education providers have shown time and time again of their collective capacity to meet the needs of working families and to meet the needs of our earliest learners.

The existing infrastructure of public and private early care and education agencies have a great capacity to meet the needs of working families and children but need a stable and reliable level of funding in order to efficiently maximize the subsidy dollar. Agencies are only paid as a percentage of monies put out the door for direct payments for child care. However, there is no funding for the costs that are accrued by these agencies for mandated work and the protection of public dollars, verifying family need and eligibility for care that may never result in a payment made. Further State policy decisions such as the past elimination of funding for Stage 3, the ensuing disenrollment of families, complying with over 144 separate Child Development Division Management Bulletins since 2010 are all examples of unfunded mandates. Since 2008, our caseworker family loads have increased from roughly 1:40 to 1:185 plus.

Recommendation 3: Provide a 12-month eligibility determination/redetermination stability and strengthen continuity of care options to working families.

Integral to the success of working families attaining self-sufficiency, is reliable and stable child care that supports both the needs of a working parent and supports the immediate and longer term outcomes of their

² ² Regional Market Reimbursement Rate Data available at <http://www.cde.ca.gov/fg/aa/cd/ap/index.aspx>

³ Assembly Trailer Bill 1476 (Chapter 663 of the Statutes of 2014), beginning January 1, 2015, requires the California Department of Education to implement ceilings at the 85th percentile of the 2009 Regional Market Rate Survey reduced by 10.11 percent. If a calculated ceiling is less than the ceiling provided before January 1, 2015, then the ceiling from the 2005 Regional Market Survey will be used.

⁴ <http://www.rnetwork.org/rr-research-in-action/2011-california-child-care.html>

children. Families that are eligible for a child care subsidy struggle with a multitude of poverty stressors; stressors exacerbated by the uncertainty of being able to support familial necessities such as housing, food, health care and education. Align California's law with the recently enacted federal reauthorization of the Child Care and Development Block Grant (CCDBG) Act. Further, provide information to parents on the variety of child care and early education settings that they may pursue such as Head Start, center based, or FCCHENS wherein the continuity continues and goes with the family.

Finally, we would ask that you restore funding to all parts of our child care system regardless of how the families entered. We ask that you restore funding equally to families that are eligible regardless of whether they are accessing the subsidy system via the CalWORKs welfare door or directly with their local community based agency or center.

Thank you for your attention to the above. If there is any additional information needed, please contact me at either (916)567-6797 or by email at: denyne@cappaonline.com.

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