May 22, 2020

The Honorable Richard Roth

Chair, Senate Budget Sub 1 Education Committee

California State Senate

Sacramento, CA 95814

Via email:   SBUD.Committee@senate.ca.gov

*Re: Input from < YOUR AGENCY> on the 2020/2021 May Revise Budget Proposal*

Chairman Roth:

< Introduction to YOUR AGENCY> . Our agency, and the 76 other Alternative Payment Programs in California, support parental choice and access for children from birth on to childcare, food programs, housing resources and a host of other services to lift families up from poverty to self-sufficiency. The ultimate goal of our programs is to break the current cycle of poverty for families and children while supporting our earliest of learners to attain longer term educational outcomes and economic stability.

The 2020-21 May Revision contains proposals that will permanently shutter many of California’s family child care providers and centers. For the last 10 years, providers were left out of any real infusion of new monies and had only one rate increase in 2016. Further, there are fewer than 60,000 slots that can be accessed by the over 2 million income eligible working families and hundreds of thousands of now added essential workers needing child care. The reality that our agency is facing is seemingly disconnected from what has been put forward by these budget proposals.

OPTIONAL: INSERT A FEW SENTENCES WITH SPECIFICS ABOUT YOUR AGENCY/CASELOAD/COUNTY.

**To support working families, children and our providers, we ask for the following provisions in the 2020-2021 Budget:**

* **REJECT 10% Reimbursement Rate Decrease to Family Child Care Homes and Child Care Centers**

To give a real world example of the rates proposed for the cuts, I’d like to share some information about current rates from my agency in INSERT YOUR COUNTY- the numbers below are for Los Angeles. Current licensed-exempt rates broken down hourly for school age is $XX and for an infant $XX. For licensed family child care providers child care can be broken down on an hourly reimbursement for school age is $9.85 and for infants is $11.34. Finally, for licensed center child care, an hourly school age RMR is $11.06 while for an infant it is $16.28.

As you can see from the existing rates above, the 10% cut proposed in the 2020-21 May Revision would make our already underpaid industry struggle severely – and many providers would likely not be able to stay open as a result.

* **ELIMINATE Variable Work Schedules and Keep Providers Funded**

Providers that serve families with variable or fluctuating work schedules are solely reimbursed based on family’s attendance and not based on a set amount. Due to that fact, many providers would not serve these families. During the COVID-19 crisis, Governor Newsom issued Executive Order (EO) N-45-201 and CDE Management Bulletin 20-042, to eliminate this type of schedule and to support providers with a stable amount for them to budget for the child care slot. Just as in the private pay market, parents pay providers regardless of usage so that providers can budget. We ask that this EO be made permanent to support parents accessing more providers.

* **ELIMINATE 14 Day Notice to Providers**

Effective July 1, 2020, there must be a 14-day wait period before any changes a family needs can be implemented. For instance if a family has reduced hours and needs to have a family fee adjustment, they must wait 14-days. Language has been worked on with CAPPA and the unions to allow for notification to a provider but eliminate the 14-day wait period.

* **REQUIRE $50 million for essential workers be fully spent**

During the COVID-19 crisis, Governor Newsom allocated $50 million for essential workers to access child care. These monies were allocated to Alternative Payment Programs (APPs) as part of their CAPP contracts administered by the Department of Education.  However, the Administration and CDE have determined that all unspent dollars be returned June 30. CAPPA contends that these dollars put out in CAPP contracts via [Education Code 8220.1 (d)(1)](http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=EDC&sectionNum=8220.1.) are allowed to be expended over a 24 month time frame as other CAPP contract dollars. This is the only contract type allowed to fully expend dollars over contract years that that these essential workers dollars be allowed to follow the same requirements.

Our agency – and ALL of California’s child care and early learning providers -- simply cannot accommodate any cut. Without any cuts, the COVID-19 crisis has already resulted in massive closures of child care businesses. With the proposed cuts, there simply will not be the child care infrastructure available to support existing subsidized families as well as the essential worker families needing care while they are on the front lines fighting this pandemic. We ask that you reconsider the proposed cuts in the May Revise budget, and keep providers working and families earning.

Thank you for your consideration, and please reach out with any additional questions.

<YOUR SIGNATURE>

<YOUR TITLE AND CONTACT INFORMATION>

CC: The Honorable Gavin Newsom, Governor

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