



California Alternative Payment Program Association (CAPP)
 1451 River Park Drive, Suite 185
 Sacramento, CA 95815
 Phone: (916) 567-6797
www.cappaonline.com

CHILDREN LEARNING, PARENTS EARNING, COMMUNITIES GROWING

February 5, 2020

The Honorable Gavin Newsom
 Governor, State of California
 Sacramento, CA 95814

The Honorable Toni Atkins
 President pro Tempore
 California State Senate
 Sacramento, CA 95814

The Honorable Anthony Rendon
 Speaker
 California State Assembly
 Sacramento, CA 95814

The Honorable Holly J. Mitchell
 Chair, Budget Committee
 California State Senate
 Sacramento, CA 95814

The Honorable Phil Ting
 Chair, Budget Committee
 California State Assembly
 Sacramento, CA 95814

RE: 2020 CAPP Input on Governor Newsom’s 2020-21 January Budget Proposal

Dear Governor Newsom and Budget Leaders of the California State Legislature:

The California Alternative Payment Program Association (CAPP) is a 43-year network of community-based public and private nonprofit agencies that provide child care and other supports to income eligible families in each of California’s 58 counties. The CAPP network supports 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.

For background purposes, there are 76 Alternative Payment Programs (APP) that administer California’s subsidized child care programs across all 58 counties. Of the 58 counties, 37 contract out the California Work Opportunity and Responsibility to Kids (CalWORKs) Stage 1 childcare to a local Alternative Payment Program (APP). The focus of these programs are to support working families and those on CalWORKs with access to a variety of early care and education settings inclusive of high quality Title 5 centers, Family Child Care Home Education Networks (FCHENs), family child care providers, and small business child care and early learning providers. Additionally, these programs may too link families living in or near poverty with access to supports for housing, food, clothing, and mental health amongst a list. ***In 2019-20¹ APPs are funded to support 62,314 children in CalWORKs Stage 2; 54,437 in CalWORKs Stage 3; and 57,930 children in AP programs. Despite this, there is still an unmet need of over 2 million children who are eligible for subsidized childcare.***

We wholeheartedly agree with the Administration that “providing children in California with a healthy start is one of the best investments the state can make².” When we take this statement and contrast it with some of the proposals put forth, we see an opportunity to provide you with further input on how to strengthen them going forward.

California’s child care and early education infrastructure has evolved to appear cumbersome and complex, however it did so in its growth to meet the needs of a very diverse population of families. The massive growth of the system, inclusive of our California Work Opportunity and Responsibility to Kids (CalWORKs) Stages 2 & 3, coupled with preschool, afterschool programs and vouchers for the working poor has transformed from the 1970’s. The growth was due to the changing needs of families that are income eligible or receiving welfare benefits. The growth had to meet parents’ work

¹ DOF 2019-20 Budget Act One-Pager

² 2020-21 Governor’s Budget Summary, pg. 61

requirements, including traditional work schedules (6:00 a.m. to 6:00 p.m. childcare) and work schedules that include evening, overnight, and weekend hours (non-traditional child care hours). It had to support families where English is a second language and children exposed to trauma and other adverse situations. Further as the needs of parents and children evolved, so too did the need to establish full and part-day, afterschool, migrant, and Early Head Start programs amongst the available options.

In the evolution of the above, what did not fully happen was a consideration or conversation about threading programs together seamlessly in a way to strengthen continuity of care for children. With the reauthorization of the federal Child Care and Development Block Grant (CCDBG) in 2014,³ a shift happened both on the federal and state levels forcing the conversation of blending funding streams targeted at serving the same families.

Since the reauthorization of CCDBG coupled with the California law that allows families initially deemed income eligible to receive not less than 12-months of eligibility⁴ families have become more stable. Children have more stability in their settings. Employers have a more stable workforce.

In reflecting on the history of the field, and the recent move towards stabilizing income eligible families and children with access to consistent child care and early learning, we offer the following input for consideration:

1. Establishment of the Department of Early Childhood Development under the California Health and Human Services Agency.

This is bold starting point for a conversation. Historically, we have been very supportive of creating an entity solely focused on the needs of our youngest learners starting at birth. Our vision of how that would look more closely aligns with that put forward by the Assembly Blue Ribbon Commission on Early Childhood Education report⁵. We believe that the programs that Governor Newsom has proposed being removed from the California Department of Education, • Early Childhood Policy Council, • CalWORKs child care (all stages), • voucher-based programs, • direct contract programs, • Head Start and Early Head Start, • Early education data system, • emergency child care bridge program, and • child care quality programs have the potential to further fragment the needs of children.

Would this new agency lead to more efficiency in administering programs? Unclear. However, it would absolutely lead to more “red tape” for contractors that offer both full-day and part-day preschool programs. To reinforce separating our programs under Proposition 98 funding from others and then taking the others into an entirely new agency will create “seams”.

We believe that to better support strengthening programs for children, regardless of whether a child comes in through a welfare or subsidy door, that the child should be viewed from a holistic lens. The full care and educational needs of a child from birth to 18 should be supported seamlessly and not separated based on age of a child. To better make that happen, is to make sure that all of the educational programs that touch a child stay coordinated. It is our belief that the full needs of our children are best supported under the California Department of Education (CDE).

Is there a way to re-bench the starting point of development of a new agency? The answer is yes.

If the focus of the new agency is to more fully address needs aside from those solely under the CDE, then put all of those other programs on the table. Other programs that touch the children that we believe the Administration is attempting to help would be home visiting, community care licensing, food programs, child health screenings, and mental health to identify a few. Including all of the programs in the beginning support a richer conversation and decision-making process.

³ [2014 Child Care & Development Block Grant Reauthorization](#)

⁴ [Education Code Section 8263](#)

⁵ [Assembly Blue Ribbon Commission Report, pg. 86](#)

2. **\$5 million one-time General Fund for a long-term strategic plan to provide a roadmap to universal preschool and a comprehensive, quality, and affordable childcare system.**

We believe that there are viable plans such as the Assembly Blue Ribbon Commission on Early Childhood Education report that have been completed and now need decisions on how to move forward. Candidly, plans take funding to make all or parts of it a reality. CAPPAs believes that the monies earmarked to develop another long-term strategic plan be reconsidered to support existing field supported recommendations.

3. **Subsidized Child Care.** California needs a large infusion of dollars to create additional child care slots for the over 2 million income eligible children and their families that have no access to child care or early education.

In 2016, the CBPC⁶ reported that over 1.2 million income eligible children in need of child care did not receive services⁷. In 2017-18 that number surged to 2.032 million with 1.804 million income eligible with no access and roughly 230,000 with partial access⁸. It has been estimated that the current number is now approaching 2.3 million.

The Governor's budget funds roughly 621 additional voucher slots for families to access needed care while they work and/or go to school. The addition of the 621 slots brings California to a total of 59,740. In the 2006-07 Budget Act, 34,200 voucher slots were funded. In the last 13 years, California has only funded an additional 25,540.

It is our contention that the data of the over 2 million children unable to access care is a pretty great indicator of where California should be investing its dollars.

4. **Universal Preschool.** The Administration notes a priority that all children regardless of family income have access to a high-quality program before they begin kindergarten.

While on the face of it, this appears a good priority, we believe the funding to enact such a priority is going to leave more and more of our lowest income children behind and unable to access quality childcare. We believe that equity is not equality.

This proposal has many challenges. First off, because of the above-mentioned programs are proposed to be separated out to the above-mentioned new agency, there are risks created for children who will not seamlessly be supported. Further, California's early care and education workforce is sorely underfunded. To make this proposal a reality, we first must have a reimbursement system in place that truly pays a provider or center for the true cost of care. Further, California currently utilizes a 2016 Regional Market Rate reimbursement structure that is nearly four years out of date.

Before this could be a reality, CAPPAs recommends addressing the costs of providing the early education. Further, to make this uniform access truly accessible and real for California's working families, it must be thought of in terms of wraparound services, such as before and after school programs and transportation, so that all families have the same opportunities.

5. **Early Childhood Health and Wellness.** CAPPAs supports the intent to expand developmental screenings for children, trauma screenings for children and adults, and provider training for trauma screening. However, this again is another area where the Administration is proposing this be kept within CDE with many of the targeted programs that support the children and families targeted in such a proposal be moved out to the agency to be created above.

⁶ <https://calbudgetcenter.org/about/vision-history/>

⁷ <https://calbudgetcenter.org/resources/1-2-million-california-children-eligible-subsidized-child-care-not-receive-services-state-programs-2015/>

⁸ https://calbudgetcenter.org/wp-content/uploads/2019/02/Kristin-Schumacher_ChildCare-Webinar_02.25.2019.pdf

CAPPA would recommend that this issue be added as part of the conversation for the new agency.

6. **Reducing Childhood Poverty.** CAPPA believes that to reduce childhood poverty it must be done in a coordinated approach. At a minimum it must include providing families with access to child care, supporting an increase to the State's Earned Income Tax Credit (EITC), and supporting child support passed through to CalWORKs families.

7. **Paid Family Leave.** CAPPA supports paid parental leave. Not only do we believe this to be good public policy but we also know that for families in poverty, access to infant/toddler care is nearly nonexistent.

We know that there is not an unlimited access of funding to pay for all of California's priorities. For families and children living in poverty unable to access minimal necessities such as child care, food or housing, CAPPA recommends dollars be spent to immediately change the downward spiral of these families into an upward trajectory.

Thank you for your attention to the above.



Danyne Micheletti Colburn, CEO

CC: The Honorable Gavin Newsom, Governor
SEN Budget & Fiscal Review Committee Members
ASM Budget Committee Members
Keely Bosler, Department of Finance
Christian Griffith, Assembly Budget Committee
Elisa Wynne, Senate Budget Committee
Mareva Brown, Office of President Pro Tempore Toni Atkins
Steve McCarthy, ASM Republican Office
Bob Becker, ASM Republican Office
Roger Mackensen, Senate Republican Office
Joe Parra, Senate Republican Office
Rochelle Schmidt, Legislative Women's Caucus
Sulema Landa, Legislative Women's Caucus
Jessica Holmes, Department of Finance
Sarah Burtner, Department of Finance
Lisa Miercynski, Department of Finance
Gail Gronert, Office of Assembly Speaker Anthony Rendon
Kris Perry, Office of the Governor
Giannina Perez, Office of the Governor
Sarah Neville Morgan, California Department of Education