

# Impact of Child Care Budget Cuts

## Marva's Happy Town



Licensed Family Child Care Home

Alameda, California

in Business Since 1982

<b>Total Children Enrolled:</b>	<b>12</b>
<b>Children Receiving Subsidy:</b>	<b>8</b>
<b>Ages of Children Served</b>	
<b>Infants (under 2yrs):</b>	<b>4</b>
<b>Preschool (2-5yrs):</b>	<b>7</b>
<b>School-age (6yrs+):</b>	<b>1</b>
<b>Total Staff:</b>	<b>3</b>

"Every time I take a child with a subsidy I lose money. If the reimbursements go even lower I won't be able to keep my doors open."

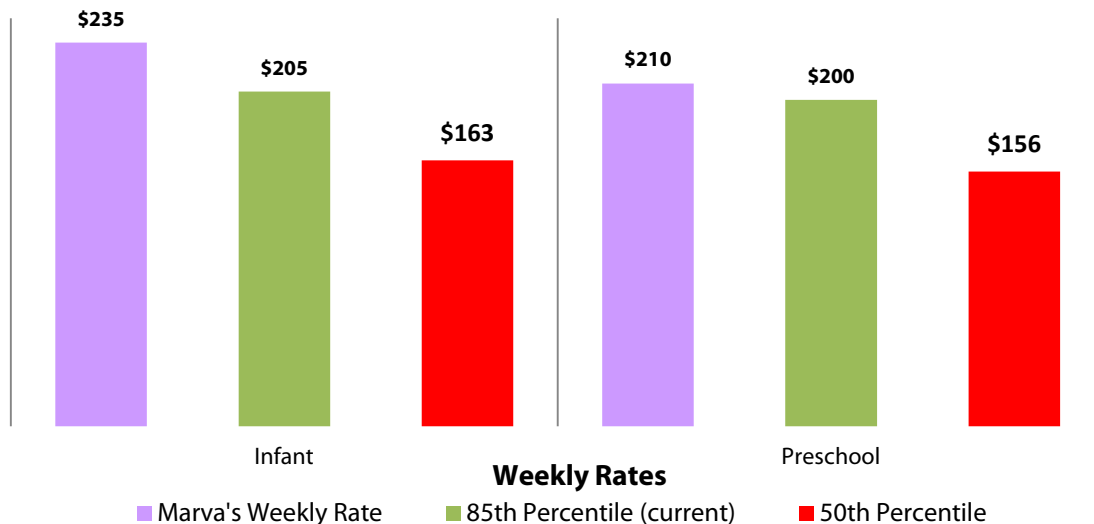
## IMPACT OF LOWERING REIMBURSEMENT TO THE 50<sup>TH</sup> PERCENTILE

At the 50<sup>th</sup> percentile, Marva will have to absorb an additional 31% and 26% reduction compared to her current rates. She will either no longer be able to serve low-income children or close. This will impact the children, parents, and employees that rely on her program. There are over 700 family child care programs<sup>1</sup> like Marva's in Alameda County serving low-income children.

**Monthly Loss to Her Business = \$1,872 (\$22,464 annually)**

**Children Losing Care = 12**

**Staff Unemployed = 3**



<sup>1</sup> Estimate based on percentage of Bay Area family child care homes (FCCH) caring for at least one child receiving a subsidy applied to the number of FCCHs in Alameda County.  
Note: The Governor has proposed lowering rates to the 40<sup>th</sup> percentile of the 2005 survey. No information is available to obtain the exact reimbursement rate to providers using the 40<sup>th</sup> Percentile of a 7-year old regional market rate survey. All we know is that the rates will be LESS than those noted in this document.