

TRANSCRIPT OF AUDIO FILE:

**State Child Care Assistance Policies: Current Challenges for  
Children and Families**

**OCTOBER 27, 2010**

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**BEGIN TRANSCRIPT:**

HELEN: Thank you, everybody, and welcome to this call on child care assistance policies. Due to the large number of registered participants, callers' telephone lines will be muted during the conference. If you would like to ask a question of the speakers, please e-mail your question to RRomero, R O M E R O, @nwlc.org. Questions may be submitted during the call. We're going to start with Karen Schulman at the Center who will summarize the highlights of our new report on state child care assistance policies in 2010. Karen will be followed by three state child care advocates, who will discuss the challenges they have faced in their states regarding cutbacks in child care assistance policies, and the strategies that they're using to address or reverse the cutbacks. They include Bruce Liggett, who is the Executive Director of the Arizona Child Care Association, Patty Siegel, the Executive Director of the California Child Care Resource and Referral Network, and Baji Rankin, Executive Director of the New Mexico Association of Young Children, three good friends.

Karen, can you start?

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KAREN SCHULMAN: Sure. Last month the National Women's Law Center released a 2010 update of our annual report on state child care assistance policies. The report shows that most of the states were able to protect their child care assistance programs despite major state budget gaps, largely thanks to an additional \$2 billion in federal child care funding for 2009 and 2010, provided by the American Recovery and Reinvestment Act, or ARRA. Yet, child care assistance policies still fall far short in providing that help that families need and states may take steps backwards as they exhaust their ARRA funds, unless there is new federal child care funding. The report, *State Child Care Assistance Policies for 2010: New Federal Funds Help States Weather the Storm*, examines key state child care systems policies, including income eligibility limits, waiting lists, parent co-payments, and provider reimbursement rates, and trends on these policies since 2009 and 2001.

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The majority of states did not have significant changes in these policies between February 2009 and February 2010. However, most states' policies remained in the same place as where they were in 2001 or had actually fallen behind since that time. Between 2009 and 2010, six states increased their income eligibility limits for child care assistance beyond what was necessary to adjust for inflation. An additional 32 states increased their income limits sufficiently to keep pace with inflation. Only one of the remaining states kept their income limits the same. Yet, in 21 states, the income limits in 2010 were lower as a percentage of the federal poverty level than in 2001. In addition, over two-thirds of the states had income limits at or below 200 percent of poverty in 2010, even though families at this income level, which is just \$36,620 a year for a family of three, still struggles to cover their basic living expenses.

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Nineteen states placed eligible families on waiting lists for child care assistance in 2010, the same number of states as in 2009 and only slightly lower than the 21 states with waiting lists in 2001. In some of these states, the waiting lists were very long as of earlier this year—nearly 195,000 children in California, almost 67,000 children in Florida, about 38,000 children in North Carolina, over 22,000 children in Massachusetts, and over 11,000 children in Arizona.

Several studies have shown that families on the waiting list often struggle to afford child care while paying their other bills or have no choice but to use lower-quality care because it's more affordable. Some parents on the waiting list are unable to work because they cannot afford child care on their own.

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In about one-third of the states, families receiving child care assistance paid a lower percentage of their income in co-payments in 2010 than in 2009, and in all but a few remaining states, families paid the same percentage of their income in co-payments. Yet, in one-third to nearly half of the states depending on income, families receiving child care assistance paid a higher percentage of their income in co-payments in 2010 than in 2001. High co-payments can strain the budgets of low-income families receiving child care assistance.

In a particularly striking and troubling finding, in 2010, only six states set their reimbursement rates for providers serving children receiving child care assistance at the federally recommended level. This level is the 75<sup>th</sup> percentile of current market rates, which is the rate that allows families access to 75 percent of the providers in their community.

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This is a decrease from nine states with reimbursement rates at the recommended level in 2009, and significantly down from the 22 states with reimbursement rates at the recommended level in 2001. Low reimbursement rates deprive child care providers of the resources they need to

provide a high-quality program, and discourage high-quality providers from serving families receiving child care assistance. Yet, we know these are the children that so greatly need that boost in learning and development that a high-quality child care program can provide.

Some states have tiered reimbursement rates to provide somewhat higher rates to higher quality programs. Approximately three-fifths of the state had the higher reimbursement rates for higher quality providers. But in nearly two-thirds of these states the higher rates were below the federally recommended level. So, the tiered reimbursement rates didn't always fully compensate for low overall reimbursement rates.

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This year, we also looked at state policies on providing child care assistance to parents looking for work, given how essential it is right now in these difficult economic times to give support to parents so they can have time and opportunity to find a new job and so their children can have stable child care in the meantime.

Forty-seven states allowed families receiving child care assistance to continue receiving it while parents looked for a job for at least some amount of time. Yet only 18 states allowed families to qualify for and begin receiving child care assistance while a parent searched for a job.

While the report focuses on states' child care assistance policies as of February 2010, it also includes some initial information about policy changes since that time. And that information offers a warning sign about what could happen if states do not receive additional child care funding as they use up their ARRA funds.

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Two states that used ARRA funds to increase their income eligibility limits have reduced or plan to reduce those income limits. Eleven states had or expected to have increases in their waiting list for child care assistance or expected to start waiting lists or to close intake altogether. Nine states that used ARRA funds to expand access to child care assistance for parents searching for a job, have reverted to their previous, more limited policies, or plan to do so.

New child care investments will be essential to prevent such cuts and enable states to strengthen their child care assistance policies and help low-income families to afford reliable, good-quality child care. Now, I'll turn it over to our other participants to talk to you about how this is actually playing out in the states, and all of their efforts to get the best policies for their children and families.

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HELEN: Let's hear now from the states where we have some little steps forwards and some big steps backwards. Bruce, could you start to talk about what you've done in Arizona and where you are now?

BRUCE LIGGETT: Sure. Thanks, Helen. We've got a small step forward, but in Arizona, any gain at this point in, really, an impossible environment, is an accomplishment. First, the budget in political context here. Like a few other states, we've got just an unprecedented revenue shortfall, and unprecedented cuts. For the past three years, Arizona's lost hundreds of thousands of jobs and a third of its revenue. There really is no money. We've used virtually every kind of one-time solution. We've financed some of our state buildings and used the ARRA money. We've even raised taxes in Arizona, with a three-year temporary sales tax increase.

But in the conservative legislative and executive environment you may have heard of recently, and this really ugly election year, it's been tough to get any focus on child care. Back in February '09, ARRA money did help us prevent throwing 15,000 children out on the streets, but at that same time, our rates were cut to the 2000 level. Co-pays increased and they put in place this insidious, what the Governor referred to as "hard cap waiting list." What they did was shut down the Low Income Eligibility Program, not TANF or not CPS, and not let any new eligible families into the program. The term "waiting list" is really benign. People who were eligible were being denied, and due to attrition, the program dropped incredibly rapidly, from 48,000 to 30,000 kids.

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So, 18,000 fewer children are served, with 16,000 denied entrance to date. Our strategy really included, first of all, staying on top of the details. Staying in the trenches, looking at the budget information, and graphically kind of showing the huge decline in subsidy. It wasn't a benign waiting list. There were that many fewer children being served. The key strategy was also working with our key partners, staying plugged in to your work, Helen, working with the Early Care and Education Consortium, working with other advocates locally, Children's Action Alliance and Protecting Arizona Families Coalition, getting the child care centers that I work with involved, large and small, profit and non, and working closely with First Things First, our tobacco-funded early childhood initiative, that is itself threatened in this election next week. We wanted to continue to hammer out in the public message, the fact that child care cuts were disproportionate, devastating and short-sighted.

So, I think we did a nice job on a YouTube video, that Mary Beth Salomone Testa at ECEC helped us do all the creative work, that showed graphically the number of kids that were being denied, showed their faces. We broadly distributed that to candidates, and the media, and got a lot of attention with that, and it excited a lot of people who were advocating. We did a fair amount with some national and local news stories, and really continued to hammer with e-mails to the Governor. It was tough because there were so many massive cuts to every part of health and human services.

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S-CHIP, Home Visiting, Behavior Health, TANF Cash Assistance, hundreds of thousands of people were impacted by human service and health cuts in Arizona. So, what I was trying to do, in part, was to make the business case, which I think the conservatives needed to even talk about child care. So, we converted the state reductions into the number of actual jobs lost; 2,200 fewer teachers because of the state cuts in child care. And then we had a multiplier effect. We also focused on facilities closing. In Arizona, in 2009, licensed child care facilities were barely hanging on. This year, they're closing, and we had that detail. Fifteen net facilities closing every month, and we talked a lot about the economic impact of investments in child care. Ultimately, we were able to stop the bleeding. Meaning that we got a different approach to the waiting list.

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What the state is now doing is they're going to move towards a one child out of the program, one child in. So, while this program was on track to continue to decline, through attrition, almost to extinction, we now have leveled it off. I think the net effect will be about 6,000 children slots that were going to be lost to child care funding and not able to access child care that will now be getting subsidy. So, what made the difference? First, I think the state was getting to a level with the cuts where they were at risk of losing federal funds. The state agency that administers the subsidy needed matching funds, and First Things First ended up working with the state subsidy agency to come up with a match and wanted to see the waiting list and reductions level off. So, First Things First was a key player in terms of kind of closing the deal to be able to let the subsidy reductions stop.

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So, it's been a strange environment, let me tell you. Because of the elections, all this has been done under the radar screen. There's been no announcement of any of this. It's been really subtle and kind of an insider activity, but I think, clearly what we have, once again, learned, that staying on top of the details, working with partners, and continuing this for the long haul is what makes a difference.

HELEN: Bruce, I think most people know what First Things First is, but could you quickly explain how they had the money to come up with a match?

BRUCE LIGGETT. Absolutely. In 2006, Arizona voters approved an initiative to increase tobacco taxes for an early childhood initiative serving children age 0 to 5, and that revenue, which itself is in decline, has really allowed a whole array of services to be developed all over Arizona, including scholarships for low-income families who needed child care assistance. So, that was a good fit to be able to use as matching funds for the state subsidy.

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HELEN: Thanks. Patty, you have an unusual and a new situation and I know you've been working very hard to draw attention to it. Can you talk to us about what happened with your state budget and the Governor's line item veto?

PATTY SIEGEL: So, we've got some good energy in San Francisco right, and hoping to translate our Giants' win to a win for the families, the over 81,000 children, 60,000 families, who, on November 1<sup>st</sup>, will lose their child care assistance. So, let me just backtrack a little and say that California is the Not So Golden State right now. I think all of you have heard, you know, we have western states on this call, and we share many challenges. With California's budget woes, we are, I think, leading the nation in terms of what our deficit is. When our Governor's May Revised Budget came out in May of last year, he proposed the complete elimination of state-subsidized child care funding, with the exception of our Part-Day State Preschool Program.

It was a radical proposal, sort of blew the whole thing up. We fought back very hard, and I think, very successfully, and interestingly, using many of the same set of strategies that Bruce talked about----, making the link between jobs, between employment, jobs for providers, and jobs for parents, dollars returned in taxes to the community when parents are working when child care providers and centers are consuming goods. All the things that I think those of you on the phone know all about, but Bruce articulated.

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So, the good news was that we threw out the budget negotiations. We had a strong, strong turnout of parent advocates and of providers at every one of the budget hearings. We organized a new umbrella to lead this charge called "The Campaign to Save Child Care" which we thought we could retire, but it's still now more active than ever. It worked throughout our budget conference committee, and in fact, right up until the very late state budget—our state budget in California was 100 days late. This took a huge toll on child care providers who were not paid from July 1<sup>st</sup>. I understand today that the first checks have finally been received for what was basically July, August, and September services provided. So, we lost programs in that mix, but finally, when the budget deal was reached on October 7<sup>th</sup>, child care did take some hits and they were significant, but all in all, services to low-income working families were maintained, and that was a very strong commitment from the leadership in both our Senate and our Assembly to keep services for working families.

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So, many of us took cuts, smaller cuts, but the services to families were left intact. But then, in cruel and unusual punishment,, we were all blindsided when on October 8<sup>th</sup>, at 5:45, Governor Schwarzenegger blue penciled (he has the right to do that in California) \$256 million of child care funding for low-income families. He basically eliminated that funding from the budget. These are funds that are especially critical because they are the funds in California called Stage Three that serve families who have been on TANF in California, CAWorks Programs, who could continue to receive a child care subsidy uninterrupted until they reach 75 percent of state median

income. When we designed our welfare reform program in California, it was really important to all of us that families, just when they were beginning to be stable, just when they were working, not fall off the cliff, as we've seen for so many years. The average income of these families is about \$24,000 a year, and most of the families on this program have two children. So, you can image at \$24,000 a year, if, as is the sad case now, you've been notified that on November 1<sup>st</sup>, you will no longer have child care assistance.

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What we know and what we are finally getting out in press stories across the state is that it will force families into horrible choices. Either they make unsafe child care choices, makeshift choices for their children, and by the way, over 60 percent of the children affected are school age, because you know, their parents started in the TANF program several years ago, and they've grown on up. So, we're afraid the The Terminator movie role has become The Terminator in a real life role for Arnold Schwarzenegger, and ironically, it's the school-age children that he once upon a time championed, who will be especially hard hit. What are we doing? Well, the hardest things was, first of all, to get this story out in the news, because the news had been, "The budget's 100 days late. Hurray! At last it's passed." And then to have to raise your hand and say, "But wait a minute. Wait a minute. Child care took a huge hit," and in my history of advocacy for more than 40 years, this is the single largest hit that child care has ever taken.

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So, our first job was to make sure that we got the story out there, that we got an immediate response from legislative leaders and within four days on October 14<sup>th</sup>, the President of our State Senate, held a press conference in Sacramento with a parent who was remarkably articulate, myself and other advocates. And what he promised that day is that when the legislature returned on January 3rd, with, we hope a new governor who will be sympathetic to this issue, they would immediately vote to restore these funds retroactive to November 1<sup>st</sup>. It doesn't save the families who, at another press conference yesterday, were coming up to me in tears and saying, "But what can I do now?" We're looking at legal strategies. They haven't been so easy to come by, but in the meanwhile the Speaker of the Assembly has also stepped up with President of the Senate and a number of Democratic legislators to increase this pledge. The Assembly itself came up with \$6 million out of their own budget, and they have jointly now, Assembly and Senate asked, and they're the same group, our First Five county commissions and state commission to come up with bridge funding and a loan to keep these families and children supported over the next three months, November, December, and January, while we hope that we will have a solution on the very first week of the new session.

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What we're doing right now is trying to keep this issue front and center and alive. Yesterday, we had a large protest at the First Lady of California Maria Shriver's big women's conference, which attracts over 10,000 people. We had an information picket line that was lively and I think

attracted quite a bit of press. Basically saying, “This is a Governor who is not a friend to women, not a friend to families.” The State Superintendent of Public Instruction, Jack O’Connell, has issued three press releases. We had a large press conference that we spoke at yesterday in Oakland, with parents, with state leaders, and we have another one on Thursday, and then next week on November 4<sup>th</sup>, we have what we call “Boot Camp” for the newly elected members of our Assembly and Senate. We will be in the capitol all day on the front steps for a Child Care Champions’ Vigil where we will be reading and asking newly elected legislators to join us in reading the first name and age and county of every child, and it’s actually 55,000 children, immediately on November 1st who will lose their care.

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Then we will be back in the capital on December 6<sup>th</sup>, which is the day that the new legislators are sworn in and we will be having another action that day to keep this issue front and center and we are asking all candidates who are running now to pledge their support for reinstating the funds, and we are asking everyone who is returning to office to join us. So, the list is growing. The biggest challenge, as you all know, is that this is the season when people start to be thinking about other things besides this kind of struggle, so we are just doing everything we can to keep this in the press. We are using YouTube, we are using Facebook. We are making our own media, but so far, I think we’ve had probably close to 40 stories on the front page above the fold. I mean, the parents have been remarkable, especially Parent Voices, Community Voices down in Los Angeles. Child Care Providers United, the providers’ union, has also been terrific. So, I think we’re doing everything we can, but a lot hinges on who is elected governor and who returns to our Assembly and State Senate.

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We can do it. I mean, we’re doing everything we can. I never was a cheerleader in high school, but I feel like that’s the role that all of us have now, to be aggressive, articulate cheerleaders for these families. But frankly, they’re the best cheerleaders themselves. When they tell their stories, and that’s what the press has been emphasizing. It’s hard to ignore.

HELEN: Thanks, Patty. I think it’s so tough because when you see, in Arizona, too, when a family loses care, even if you can get the money back several months later, we lose the family. Baji, New Mexico has gone up and down, cutting eligibility, restoring eligibility, but with some significant consequences. Can you fill us in?

BAJI RANKIN: Sure, and thanks Helen, and thanks, Bruce and Patty. What you’re doing in Arizona and California is really great. So, New Mexico has huge challenges as we do across the country. Several months ago, we understood that there was a \$28 million shortfall in TANF funding and CYFD, the Children, Youth, and Families Department in New Mexico, was notified that child care assistance would be cut by \$13 million. And some other programs would be cut as well. Starting in January of 2010, the state stopped taking families into child care assistance who were earning between 100 and 200 percent of the federal poverty level. Before that, we did have



eligibility up to 200 percent, but starting January 1<sup>st</sup>, that was reduced to 100 percent. Families could stay if they already were receiving child care assistance and were earning between 100 and 200 percent of the poverty level, but no new families were eligible to get child care assistance unless their incomes were below the poverty level. Then to solve this budget, there were people, lots of groups, and a coalition of early childhood programs meeting and talking. We made calls to the Governor, we sent letters to the Governor involving families, to talk about more money into child care so that cuts would not have to come to child care.

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There was some additional ARRA money left that the Governor could spend at his discretion. So, our tactic was to put pressure on the Governor to allocate that money for child care. And we were not successful in getting money for that at the beginning. What the Governor then chose to do was to cut off 7,000 children, those children whose families are currently on child care assistance, between 100 and 200 percent of the federal poverty level. And that was 7,000 children and about 5,000 families. Those families received letters from CYFD saying that they would lose their assistance on November 1<sup>st</sup>, and programs received letters, also, saying that the state would no longer serve those families.

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There was a huge hue and cry about that, lots of calls to the Governor, lots of stories by parents, and again, I think, as both Bruce and Patty have said, the stories of parents is such an important aspect, if you can get those stories into the public attention, and newspapers, TV, etc., etc. At that point we did get that attention, and we did get a lot of sympathy. These people get it, that when families don't have child care, they can't work and they put their children in jeopardy in unsafe places. So there was a lot of attention given to that, and there was a shift, and then, a suggestion to CYFD that the Governor took up right away to reduce child care providers' rates so that those families could stay on and the burden of this lack of funding would be spread more across many more programs and would be less burdensome than cutting 7,000 children off of child care. That was the next solution, and that was also not a very good solution, because, as across the country, we know that child care centers and homes are just barely hanging on and reducing rates by 10 percent is a huge blow. There were a lot of protests and calls to the Governor. The Governor did come up with an additional \$2 million of ARRA funding, and that means that the child care assistance rate only will need to be cut by 8 percent, which is still not very good.

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It's still terrible, as a matter of fact. And there was a public hearing to change the child care assistance regulations to reflect this reduced child care reimbursement rate. The room was packed. It was full of families, and directors and teachers of centers and homes talking about what this 8 percent cut to rates would mean. As we know, centers and homes are just barely hanging on, and we heard many heart wrenching stories about centers and homes having to close with this 8 percent cut. And actually, this is only a solution until January 31. Since our legislative

session starts in late January—January 18<sup>th</sup>—so we will be bringing this to the legislative session, as well. If we do get more TANF funding, child care would get \$5.5 million, and child care assistance funding with an 8 percent cut would continue on through at least March. After that, funding is uncertain.

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However, there's no guarantee that that's going to take place. And so, again, it's what Patty and Bruce were saying, a matter of, in early childhood, working together, getting the parent voices out into the media and news, and keeping pressure on our legislators so that we will get the best solution possible. However, it's really hard to see solutions at this point, and so sticking together and getting parent voices, as well as voices of the directors, and voices of those who work in centers and homes to be heard, too, is so important. So, that's a brief look at what's going on in New Mexico at this point.

HELEN: Thanks, Baji. We had a caller, and I'd like all your responses to this, who asked if we could approach the private sector to make up the difference between the state reimbursement and market rates because in their areas so many vendors have closed their doors and more are ready to do so. Anyone think that is a possible solution?

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BRUCE LIGGETT: I mean, I think anything is...if we could get help, it would be appreciated and could make a short-term difference, but I think the magnitude of the reductions, here, that we're approaching 50 percent of the program. We were on track to cut \$100 million out of child care. No one has that kind of money, to support ongoing operational costs, except government.

PATTY SIEGEL: Right, and it's a question that our leadership. Our Speaker's Office has been asking me, "Okay, who are the big foundations that might help, even with bridge money?" In this case, for parent subsidies, \$256 million, as Bruce said, we're almost triple what they're facing in Arizona. So, it's a big ask, and I think it sort of warms us up for why the work at the National Women's Law Center and all of us do together at the federal level, as challenging as that is, why that's so important. Because in broke states right now, it's hard to find solutions. We've been talking a lot in California about the double P, preserve and protect. And now we've stuck a big R in front of it: Restore, Preserve, and Protect.

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HELEN: Any foundations in New Mexico, Baji?

BAJI RANKIN: I agree with what Patty and Bruce said, that could provide perhaps a little bit of bridge money, but we do need long-term solutions, also.

HELEN: I think that's right. Let me remind you all that if you do have questions, please send them to RRomero, R O M E R O, at [nwlc.org](http://nwlc.org). In any of your states, has this issue been tied to school readiness? What's been more effective, the job loss issue?

PATTY SIEGEL: In California right now, the job loss issue, and a return to welfare is front and center. But we have been making the case for lost learning opportunities for children, and certainly, when our State Superintendent, Jack O'Connell issued two press releases, and then yesterday at a press conference, he definitely talked about how good child care helps with school readiness, and when it goes away, not only are our parents losing, but children are losing as well. So, I think it's combination, trying to really use both. And the parent who spoke at our press conference yesterday, who has a three-year-old, spoke about it very articulately, about how she didn't want that disruption. Which, by the way, we're hoping for some other actions, Friday, October 29<sup>th</sup>, sort of really focusing on that this is the last day for these 54,000 children in the child care homes and centers that have nurtured them and supported their early learning. Where they have friends. The issue of continuity of care. It's not just what it means to the parent but it's what it actually means to that child who isn't with their friends and the teachers and providers who they trust and love.

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BRUCE LIGGETT: Yeah, the quality and the early learning opportunity is lost, I think, in this debate right now. I mean, our state legislature wiped out our entire state-funded pre-K program.. So, with that gone, we're just trying to make kind of the common sense case, that these are short-sighted cuts. They're going to put more people on welfare, they are going to cost more and lose jobs.

PATTY SIEGEL: By the way, one thing I want to just say to anyone who is listening is that for all of the remarkable press that we've had since October 8<sup>th</sup>, one of the things that we've also seen and have to all be alert to, is that when we have good articles, and the articles have all been very sympathetic, they attract the e-mail responders who are often really, really negative, and really attack parents. And I think one of the things that we're certainly working on here at Parent Voices, is making sure that when parent leaders put themselves out and tell their personal story, we help prepare them for the fact that the hate mail that comes back in is just what it is, hate mail. And that means that all of us as advocates have to be really on the spot responding ourselves.

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I mean, often a good story comes and we don't take the time to write in and say, "Thank you. We agree." We've also had some major editorials, one of them in the LA Times, which was particularly important.

HELEN: We've noticed, too, there was that fabulous New York Times story on low-income families losing child care and much of the response was negative. It is just like call-in shows, we

don't tend to call in, and the other side are the ones who are quick to respond. That's a good point, Patty, to share.

And once these families are gone, no one is able to find them, is that correct? They may not appear on a waiting list? Right?

PATTY SIEGEL: No.

BRUCE LIGGETT: Yeah, and now that we're beginning to...our state had a procedure where after a year on a waiting list, they'd contact you again to see what your status was, and an incredible number of those people never really respond or are really lost from the system, lost children, and I think, lost opportunities for the families.

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PATTY SIEGEL: Right, and one of the things that we noticed in some child care centers in Los Angeles, shortly after the veto is that there was a real drop in attendance. Because I think families hear the bad news in a news clip and they're not sure. I mean, we all know the codes for what the funding stands for. A family doesn't. They just know that somebody is helping them pay for their child care and they hear that it's cut. And they often assume the worst. And the other thing I wanted to say in California, is that it's been really important to think about how we talk to families, how we respect them, how we support them in every way we can with what ever resources we do know about. I mean, this is making people feel very, very desperate. And there are real mental health issues involved. So, in terms of our resource and referral network, I can honestly say we've never faced anything this large at the same time that, within our membership, people are facing huge lay-offs themselves, because of course, the people who administer these dollars and do the eligibility, they're very dramatically affected as well.

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HELEN: Yes, and no connection to state pre-K, right? In Arizona, it's wiped out. Are any of these changes affecting families' participation in state pre-K in New Mexico, Baji, if they need full-day care?

BAJI RANKIN: Yes. The full day, families who need full day care, that would be in the center that is facing that 8 percent cut, so a lot more pressure on that center and/or home. And also, the TANF funding that was reduced to CYFD, causing this crises, the \$13.5 million reduction was to child care. In addition, there was a funding reduction for New Mexico pre-K out of TANF funding that was either \$1 million or \$1.5 million. So, there was definitely an effect on New Mexico pre-K funded by CYFD.

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PATTY SIEGEL: It isn't affecting pre-K funding in California, and of course, we're looking at R&Rs for any possible space that might be available for families, but we have over 184,000 children already, fully eligible children, on our waiting list for child care. So, when our Governor had the nerve to say that there were other resources available to families, that was delusional, magical thinking. If a family finds something, it's like a needle in a haystack right now, because programs are fully enrolled. And the other thing that we've tried to make clear is that these arrangements, particularly for low-wage workers, they may not be working traditional hours. There is a large utilization of family, friend and neighbor care within the population, and even if you found a part-day slot during the day, that isn't going to solve the need of a parent who has to go to work at 11:00 at night and doesn't get off until 6:00 in the morning. So, it's complicated—these are low-wage jobs, by and large. And they don't always come with the schedules that most fit the availability of care—the precious few openings that may exist.

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HELEN: We thank you all for your time, and for the incredible advocacy that you're doing. We know that these are some of the toughest times that we've faced and the children and their families that we're all working for are really the ones facing the tough times. Everybody is concerned about how the appropriation for child care for fiscal year 2011 will affect what is happening in the states because there are many more states in similar positions. And we know how important it is to maintain the ARRA investments in child care, Head Start, and Early Head Start and to pass the Early Learning Challenge Fund. We talked in our last conference call with CLASP about the fact that Congress enacted a continuing resolution which kept funds at current levels until December 3<sup>rd</sup>, which does not include the ARRA investments. Congress is not coming back until November 15<sup>th</sup> after the election, and they don't plan to be in long. Working with our national partners, we've now set Monday, November 15<sup>th</sup> as a call in day to let your members of Congress know how important these funds are to children and families in your state and communities. You'll be hearing from all of us in more detail, but please mark November 15<sup>th</sup> on your calendars.

[0:46:06]

We also urge you to speak to your members of Congress, if possible, about these investments, and to work to place op-eds, or write letters to the editor for your local papers. It's going to be very difficult because there will be a strong push to expand the continuing resolution into February. So, please gird yourselves. This could be a longer fight than we'd all like, but we have to stay in this fight, because we can't let those ARRA investments go away. Thank you so much for joining us today. Both a written transcript and an audio file of the phone call will be available on our website, [www.nwlc.org](http://www.nwlc.org). And if you have additional questions, please feel free to send them to Karen or myself, at [kschulman@nwlc.org](mailto:kschulman@nwlc.org), or [hblank@nwlc.org](mailto:hblank@nwlc.org). And we have another few minutes, so I have one more question for the three of you, which is, how are states balancing reductions with the required matches for CCDBG? Bruce, didn't you touch on that?

[0:47:23]

BAJI RANKIN (??): Yeah, how are they balancing? They're avoiding it.

BRUCE LIGGETT: Yeah, they're avoiding it, and here, we're trying to tap on our friends at First Things First to come up with a match, but I think that's an interesting question. To me, that's where the battle line is being drawn at this point. We used to have significant TANF money in child care. That's gone because of the TANF problems. But we're drawing a line, drawing down the full amount of federal child care when it's needed. Our state was looking at one point at rolling that money forward into future years. "This is when we needed, and this is when we ought to be matching it," is what we're trying to emphasize.

[0:48:02]

HELEN: Okay, so you're all coming up with that match so far?

PATTY SIEGEL: In California, I guess that's the only piece of good news. I mean, we still do have significant state general fund investments in child care in California, and so that doesn't threaten the match. But this is definitely a whack at it, and you can't take many more of these and continue to have it. But for now, that piece is not...it may be the only thing we don't have to worry about.

HELEN: Okay. Again, thank you all so much. Please stay in touch, and please make a big circle around November 15<sup>th</sup> on your calendars. And good luck to all three of you.

BAJI RANKIN: Thank you.

[0:48:48]

PATTY SIEGEL: Thank you, Helen

HELEN: And thank you.

**END TRANSCRIPT**