
October 5, 2015

State Plan Public Hearing Coordinator
Early Education and Support Division
California Department of Education
1430 N Street, Suite 3410
Sacramento, CA 95814

Dear State Plan Public Hearing Coordinator:

On behalf of Parent Voices, a parent-led, parent-run grassroots organization fighting to make quality child care accessible and affordable for all families, appreciates the opportunity to comment on California's Draft State Plan for the federal Child Care and Development Fund (CCDF).

These recommendations are related to **3.3 Protection for Working Families**

Recommendations for Twelve Month Eligibility

Parent Voices' recommends that the State Department of Education establish a 12month eligibility period for *all* CCDF families by September 30, 2016. We believe of all the new requirements, this one has the greatest positive impact to achieve the dual purpose, two generational framework to use CCDF funds to support children's long term development and ensures parents have peace of mind to work or participate in educational activities while their children are safely cared for in child care settings.

Our child care subsidy system has not caught up to the demands of the new economy. According to the study conducted by the National Economic Law Project, entitled, *The Low Wage Recovery and Growing Inequality*, researchers found that "of the nearly three-fifths of the jobs regained during the recovery (2009 to the present) have been low-wage jobs (\$7.69 to \$13.83 per hour) – the kind that made up just one-fifth of the jobs before the recession".¹ These jobs commonly offer variable, non-traditional hours, and unpredictable work schedules which add tremendous burden, stress, and obstacles for low-income mothers who have access to a child care subsidy (Ben-Ishai & Matthews, in *Federal Legislation to Improve Job Schedules and Access for Low-Wage Workers*, 2014). Eligibility is tied to authorized hours of care which many low-income mothers in CA can attest, puts them on an emotional rollercoaster to remain eligible. Fluctuations in schedule, hours changing from week to week, wait lists for classes at college campuses, seasonal work, and the variety of minor or temporary changes that impact those authorized hours of need often result in subsidy recipients required to continuously re-establish need by producing documentation multiple times a year, having to take off of work or miss school, and producing unnecessary anxiety and stress that impact their peace of mind and their economic security.

The Draft CCDF Preprint (9-14-15) is very clear 3.3.1:

¹ See [The False Assumption: Everyone Wants to End Poverty](http://talkpoverty.org/2015/02/12/false-assumption-everyone-wants-end-poverty/) Updated February 12, 2015 available at <http://talkpoverty.org/2015/02/12/false-assumption-everyone-wants-end-poverty/>

Each child who receives assistance will be considered to meet eligibility requirements for such assistance and will receive such assistance, for a minimum of 12 months before the State/Territory redetermines the eligibility of the child, regardless of changes in income (as long as income does not exceed the federal threshold of 85% of State median income) or temporary changes in participation in work, training, or educational activities. (658E(c)(2)(N)(i) &(ii).

Supporting families as they become stable-current SMI, tiered eligibility, and fluctuating incomes

It further goes on to stipulate that the State ***may not*** terminate child care assistance during the 12 month period if the family's income exceeds the State's income threshold but not the federal threshold of 85% if SMI, or if the family experiences a temporary job loss or temporary change in participation in a training or education activity. Far too many of our members are impacted by outdated income eligibility guidelines that have been frozen since 2007. These mothers are turning down raises and promotions or cutting hours to remain eligible because the modest increase could make them ineligible under current law. The law needs to change to ensure that no working parent has to suppress their income, or their self-worth to keep the child care assistance they desperately need to get out of poverty.

The new law also allows for graduated phase-out (Section 31.5 of Pre-Print) which sets eligibility at one level and the exit out of the program at a higher level. Currently most families enter and exit at the same level. We highly encourage the state to set eligibility at 70% of SMI (based on most current data) and set the exit at the 85% of SMI threshold that the federal government allows. San Mateo and San Francisco counties have piloted tiered eligibility without problems and it is time that the rest of the State follow suit, at minimum for other high and medium cost counties.

The new law requires states to also establish processes to account for irregular fluctuations in income. According to the CCDF FAQ page (<http://www.acf.hhs.gov/programs/occ/resource/ccdf-reauthorization-faq>), ACF recommends two processes that the state can adopt. These processes include:

- *Average Income:* To ensure that salary and wage information is reflective of annual income, a State has the option of averaging the family earnings over a period of time (e.g., looking at the family's earnings over a 12 month period, rather than a shorter period of time). States adopting this approach will need to consider how income changes that occur during the eligibility period should be considered, including situations in which a family may be expected to have monthly income above 85% of SMI for part of the year and much lower income in other months. States have the flexibility to allow such families to remain eligible for child care subsidies during their higher earning months based on past evidence that annual income is not expected to be above the 85% SMI standard. Considering a family's likely income over a year gives the State the ability to account for irregular fluctuations in pay over the course of a year and provide a more accurate picture of the family's financial situation.

- *Allow for Temporary Income Increases:* States can adopt policies that ensure that temporary changes in income, including temporary changes that mean that monthly income exceeds 85% of SMI (calculated on a monthly basis), do not affect eligibility or copayments. If a family temporarily sees its income rise but that change is not expected to be long-lasting, terminating eligibility or abruptly increasing copayments can destabilize the family and result in the family being left without needed assistance when the short-lived income increase has ended and the parent needs assistance to continue to work.

We encourage the state to survey contractors for best practices in assessing for such irregular fluctuations and determine one that complies with federal requirements. These processes should be streamlined and consistent across the state.

Eliminating Inequities

The State Department of Education has successfully established 12 month eligibility for families who utilize the State Preschool Program. It is time to eliminate this inequity and afford this stability to families in whatever child care setting they choose. This new law would ensure that low-income mothers can continue on their pathway to self-sufficiency, ensure their children are in stable child care settings for a full year, can be reliable employees, support the success of child care businesses who will know their child care slots will be filled for 12 months, and ensure that case managers can focus on supporting families on their caseload. This would align with other public assistance programs such as the Supplemental Food and Nutrition program (SNAP or Food Stamps), Medi-Cal, and Section 8 Housing Vouchers.

Establishing clarity to agencies administering subsidies

We further believe that establishing 12 months of eligibility will require changes to ensure that agencies administering subsidies are not penalized for following the new rules. These agencies are forced into being fraud detectors rather than truly being able to support the parents they are serving. Requirements of what agencies must monitor and maintain in case files should also be updated, streamlined, and limit misinterpretation. Without an accompaniment of changes to what agencies are required to uphold, it could lead to some agencies not implementing the policy to serve its intended purpose.

Waiting list vs. serving families with subsidies longer

We are well aware of the arguments made by some that establishing 12months of eligibility and greatly limiting reporting requirements will serve families longer and therefore cause eligible families who are trying to access child care subsidies but are waiting for services to wait even longer. We believe this argument is false and pits families receiving subsidies against families waiting for them. It is our experience that these end up being the same families! When a family receiving a subsidy is terminated

because of a small income increase based on outdated income data, or does not turn in required documentation, or fails to report a change then that family will end up back on the waiting list. There is too much churning in the subsidized child care system. We need policies that support stability and use our collective efforts to increase child care subsidies for those who are waiting.

On behalf of Parent Voices, I thank you for the opportunity to provide public comment and submit written testimony. We stand in partnership with the Department to fully implement and prevent any delay in realizing 12month eligibility for all families utilizing child care assistance in CA.

Respectfully,

Mary Ignatius, MSW
Parent Voices Statewide Organizer