

V E R M O N T  

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**EARLY CHILDHOOD ALLIANCE**

April 10, 2015

Sen. Claire Ayer, Chair  
Senate Health and Welfare Committee  
*Via email*

Dear Chair Ayer,

This letter serves as a follow up to my testimony of earlier this week to your Committee. I hope that you will consider including language regarding these three points in your Committee's letter to the Senate Appropriations Committee regarding the FY'16 budget.

**1. CCFAP Waiting List – adding language requiring legislative approval**

The Administration proposed to level fund the Child Care Financial Assistance Program (CCFAP), and officials testified in the House that they have a new formula they are using to predict program costs that will allow them to accommodate any increased program demand in FY '16 without additional funding.

The Administration also included language in the Governor's Recommended Budget that would have authorized them to create a waiting list for CCFAP, should funding run out before the end of the fiscal year.

The House decided not to include this language in their budget, arguing that the language was not necessary, given the permissive language in the statute:

*A child care services program is established to subsidize, to the extent that funds permit, the costs of child care for families ... 33 V.S.A. §3512(a)(1)*  
[emphasis added]

The creation and use of a waiting list for CCFAP would have significant, negative effects on both those agencies that provide services and the families that need them. Waiting lists would cause delay in accessing services for families that often have already been waiting for child care spots to open up, and need the services in order to allow adults to enter the workforce and create more positive, healthy family environments. How exactly a waiting list would be administered by DCF is an open question, as the technological and logistical challenges would be significant. Without question, this process would create an extra burden for DCF staff. Providers would be uncertain as to when families would be able to enroll, and face staffing and program management challenges.

For these reasons and others, **we are asking the Senate to include in their budget language that would require DCF to get permission from the legislature before implementing a waiting list for CCFAP.** This language would ensure that legislators have an opportunity to act in their oversight capacity and to ensure that, before DCF puts a waiting list in place, they have investigated and answered the critical financial, logistical, programmatic, and planning issues that would come with the use of such a list.

[cont.]

## **2. CCFAP Enhanced Program – delete House-proposed cap**

Last year, the legislature allowed Reach Up recipients who were exiting the program an extra year of eligibility for the full CCFAP subsidy. This second year of enhanced benefit would allow families that were just entering the workforce to have extra time to solidify their financial situation and ensure their children get the best possible start in their early years.

In their consideration of the long-term status of various state programs, the House determined that it would be wise to put a cap on this second year, enhanced benefit. This new language appears in Section E.318.1 of the budget, which is on page 171 of the House-passed version of H. 490. It reads:

(5) The Enhanced Child Care Services Subsidy Program shall be funded through savings resulting from caseload reductions in the Reach Up program, but no more than the amount appropriated for this purpose in fiscal year 2016. If there are insufficient savings from caseload reductions to fund the Program, the Program shall be suspended or modified.

This change would result in no budget savings in the coming fiscal year. Rather it would arbitrarily dictate and cap future program spending, regardless of the need or the financial capacity on the state in the next fiscal year.

This cap seems ill-considered. There is no way to know what the capacity of the state will be for this program in future years, nor how many families would benefit from it. This cap does not take into account possible short-term spikes in the program due to immigration or broad economic factors or other unforeseen events. We feel it is an unnecessary and potentially problematic limitation on a program that can keep many families from back-sliding in ways that would increase state expenses, not decrease them.

This issue was brought to your attention by Karen Lafayette as well. I hope that you will consider asking the Appropriations Committee to not include this language in their budget.

## **3. Child Care referral – support House proposal**

Finally, I hope your Committee will express support for the language in the House budget that accepts the VACCRRRA alternative proposal regarding child care referral services, which results in \$150,000 of savings as opposed to the \$200,000 proposed by the Administration.

Thanks again for taking the time to consider these issues. Please let me know if I can answer any questions you might have.

Sincerely,



Matt Levin  
Executive Director

CC: Sens. Lyons and McCormack