

October 15, 2010

Dear CCCC Parents and Providers:

Unfortunately we have some terrible news to report to you about child care subsidies and the State budget.

### **Stage 3 Child Care Eliminated**

The Governor and legislature finally reached a budget deal within the past week. While we were hopeful the final budget would save child care funding, it did not. The Governor has the power to make line item cuts in the final budget he signs, and he did just that. **As a result, the Governor eliminated all Stage 3 funding effective November 1, 2010. That means that Stage 3 funding WILL NO LONGER BE AVAILABLE in California after October 31, 2010.** This action came as a shock to everyone as the Governor never indicated publically that he was prepared to take this action.

The California Department of Education has told us that we must issue a Notice of Action immediately to all families receiving Stage 3 child care. In the next few days all families on Stage 3 child care will be issued a Notice of Action terminating Stage 3 child care starting on November 1, 2010.

### **Payments**

Since the Governor finally signed a budget, cash should start flowing to vendors in 4-6 weeks. As of the date of this letter the state has not said when they will release Stage 3 funds. **As soon as we receive the cash owed to us by the State we will again start issuing Stage 3 payments (through October 31, 2010 only) and/or the AP Program.** As soon as cash arrives we will turn around payment in a couple of days for those providers who have continued to turn in proper paperwork.

We continue to pay Stage 1, Stage 2, the Food Program and WIA/ETR subsidies monthly.

I want to thank everyone for your patience and dedication to children. We realize the tremendous impact the lack of payment of Stage 3 and AP has been for many of you.

### **Reduced Reimbursement Rates for Exempt Providers**

One of the actions taken in the state budget in addition to the elimination of Stage 3 child care is a reduction of 10% in the reimbursement rates for license-exempt providers. This reduction is effective November 1, 2010. **Exempt providers should plan on a reduction of approximately 10% in their reimbursement rates for all child care subsidies.**

### **Child Care Funding Unknowns**

The State also reduced administration of the subsidy programs and quality child care funding. As a result of this and the elimination of Stage 3, CCCC will lose many our staff. We pride ourselves on providing good case management and support to parents and providers. We will continue to strive for that but please know these cuts will severely affect our ability to provide the same level of service that has been the hallmark of CCCC in Kern County.

We are as frustrated as you are about the cuts to child care funding. If you have additional questions, you may contact your CCCC case manager. Please check at [www.kernchildcare.org](http://www.kernchildcare.org) often for updated information about the state budget.

Sincerely,



Stephen L. Sanders, Administrator, Community Connection for Child Care