



# ARIZONA CHILD CARE ASSOCIATION

December 15, 2010

The Honorable Janice K. Brewer  
Governor of Arizona  
1700 W. Washington  
Phoenix, AZ 85007

Dear Governor Brewer,

Congratulations on your election victory. Your leadership is critical as the State faces unprecedented declines in revenue and many competing and compelling needs for State support. As you address these challenges, and prioritize funding, we urge you to consider both the immediate and future benefits to Arizona. We urge you to continue to invest State funds in the Department of Economic Security (DES) child care subsidy, a program that allows Arizonans with children to work, creates jobs in child care, supports small businesses and community agencies, and is essential to the infrastructure that workers and employers rely on. Child care is critical to Arizona's economy.

As businesses and community based agencies operating child care, we understand firsthand the impact of the State's economy and declining State revenues. The overall workforce decline in Arizona impacted child care providers, but the dramatic reduction in children served by the State has forced a record number of layoffs and has resulted in child care centers closing. It would be hard to find a sector of Arizona's economy more devastated by the massive loss of jobs and State funding in Arizona than child care.

We know you understand the value of State child care assistance for low income working families. In your "Building a Better Arizona" speech you recognized that the child care subsidy dollars provides a "hand up not a hand out" and that "...parents won't be working without childcare". You acknowledged that "We cannot place all of the burden on the parents that need day care so they can go to work and stay off welfare". Yet, the child care subsidy has suffered significant reductions.

When you took office, over 48,000 children were supported with a child care subsidy. Since February 2009, eligible families with 16,000 children have been denied child care assistance when they needed it to work. There has been a reduction of 20,000 children served. For every 8 fewer children that receive child care assistance, a job is eliminated. The cuts have already resulted in the loss of 2,500 Arizona child care jobs.

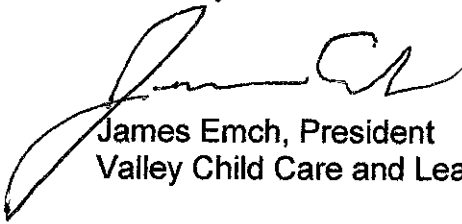
These child care reductions are disproportionate to the decline in State revenue. DES child care was reduced by almost \$60 million last year, and may be reduced up to \$80 million this year – a 40% reduction. The current number of children receiving child care assistance is equivalent to the number served in 1997, while, even in this economy, the projected revenue is more than 50% greater than in 1997. The need for assistance is clear: Arizona's population has increased by 40% in the past 13 years.

While some children have recently been taken off the waiting list, we remain concerned that the program continues to operate at a level below that which can be maintained with available federal funds and State match. A \$31 million State investment allows the draw down over \$115 million of federal child care funds, a tremendous return. Continuing at the current caseload level or enacting any further reductions threaten the maintenance of effort (MOE) and matching requirements and could result in Arizona's share of federal funds being reallocated to other states.

Protecting essential child care assistance which keeps children safe and supports low income working families is not only the right thing to do, it provides immediate and long term benefits to businesses, employers, and Arizona's economy.

We respectfully request that the State's budget, at a minimum, maintain the DES child care subsidy at 36,000 children, the level that can be supported with federal child care and State MOE and matching funds for the remainder of fiscal year 2011 and continuing through 2012. We believe that this request is both reasonable and responsible for Arizona. Your consideration is greatly appreciated.

Sincerely,



James Emch, President  
Valley Child Care and Learning Centers



Bruce Liggett  
Executive Director

cc: Eileen Klein  
Brian McNeil  
Christina Estes-Werther  
Neal Young  
Kevin B. DeMenna