

## **IMPACT OF THE STATE BUDGET CUTS ON THE CHILD CARE SUBSIDY**

Prior to the budget cuts of the past two years DES was spending over \$200 million on child care subsidy.

The maximum number of children was served was 48,300 children in February 2009, before the waiting list.

The 12 month fiscal year ending June 30, 2009 reflected a monthly average of 46,000 children.

The peak number of children on the waiting list was 11,000 on February 5, 2010

In February 2010, DES began redetermining eligibility for families who had been on the waiting list for twelve months and as a result the number on the waiting list declined.

After two years of attrition due to the waiting list, the number of children receiving subsidy was 28,000 in September 2010.

FTF agreed to let DES use \$10 million of FTF expenditures to claim federal match in September 2010. No funds were transferred to DES.

DES began to contact families with 1,342 children and authorize some of the children on the waiting list on October 30, 2010. The lowest income levels (mostly Fee level 1) were the priority. Four other "releases" from the waiting list occurred on November 30 (1,000 children) December 30 (2,000 children), January 15 (2,000 children) and March 1 (500 children)

Of the total 6,842 children released, 2,924 were ultimately authorized (42%)

No further releases are planned at this time.

There are 4,974 children currently on the waiting list.

DES Subsidy paid for 30,297 children for February 2011. The projected number of children for March is essentially the same, perhaps a few hundred children higher.

Even if the full match is found, ACCA estimates that 3-4,000 fewer children will be served next year (July 2011 thru June 2012). DES has not released the actual number to be served.

Therefore, approximately 26,000 children might be served on an average monthly basis in SFY 2012, a 12 % reduction over the prior year and a 44% reduction from 2009.

It is not clear if and when a "hard cap" will be put in place, (eliminating more releases from the waiting list).

Once DES determines the number of children to be served next year, it is possible that once that number is reached there could be waiting list releases to maintain that level.