



May 4, 2010

The American Public Human Services Association and its affiliate, the National Association of State Child Care Administrators, wish to express our very serious concerns regarding a recent White House proposal to divert \$400 million from the Child Care and Development Block Grant in order to create the Early Learning Challenge Fund. APHSA is a nonprofit, bipartisan organization that represents state and local human service professionals. NASCCA represents state child care administrators who operate the Child Care and Development Fund. While we support the goals of the Early Learning Challenge Fund, we believe that supporting it by diverting CCDBG funds is counterproductive. We feel strongly that the president's proposed increase of \$1.6 billion to CCDBG be retained in full.

The CCDBG is already a financially strapped program. It was last reauthorized in 2002 and the funding level has not kept pace with inflation. The stagnant funding over the past eight years has significantly diminished the purchasing power of child care for working families. Current economic conditions have resulted in growing child care waiting lists, the reduction of child care licensing inspections, cutbacks in quality and training activities, lowered eligibility for families, and higher parent co-payments. States are having significant problems trying to address these gaping holes in funding and cannot afford to make any more negative policy changes based on limited or reduced funding for CCDBG initiatives.

The financial challenges described above are compounded by the approaching expiration of ARRA funds. Many states have used ARRA funding to continue child care subsidy eligibility to families who would have otherwise been denied access. Without stable funding for services, states face a major funding cliff and the country's most at-risk families will lose child care next year with the end of ARRA funds in September 2011.

Since child care funding through CCDBG is formula based, all states receive funding. However, the competitive structure of the ELCF will fund a few states and exclude many. We strongly oppose reducing CCDBG funds for all states in favor of accommodating a fraction of states.

Again, we emphasize that the president's proposed funding of \$1.6 billion for CCDBG remain for the purposes of the child care program. We thank you for your time and interest. Please contact Ngozi Onunaku, Senior Program Associate, at nonunaku@aphsa.org or (202) 682-0100 x251, if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Cari DeSantis".

Cari DeSantis
Interim Executive Director, APHSA

A handwritten signature in black ink that reads "Lynette Rasmussen".

Lynette Rasmussen
Chair, NASCCA