



WSA Washington State Association
of Head Start & ECEAP



News Release: October 7, 2010

April Ritter to Governor Gregoire: “I want to work!” 2,500 families to lose child care subsidies

Hearing Held Today on Impact of Child Care Cuts

Tonight, the Department of Early Learning (DEL) is holding its first hearing on an emergency rule to restrict eligibility for the Working Connections Child Care subsidy program from 200 percent of the poverty level to 175 percent of the poverty level. Working Connections Child Care is a state funded program that provides subsidies to low wage workers to help them pay for child care for their children. To put the proposed cut in perspective, this means a family of three with income over \$2,671 per month would no longer be eligible for a subsidy. ***DEL estimates that 2,500 families would lose WCCC or SCC subsidies over the next nine months under the new rules.*** Governor Gregoire has proposed this cut (\$14.7 million) to reduce the budget deficit as state revenues have declined and caseloads for public assistance have climbed. While the rule has already gone into effect, hearings will be held in Pasco, Renton, and Vancouver starting tonight to gather input on the potential impact of these cuts.

April’s Story

One of the families who may be impacted by the proposed cuts is a parent with three children—April Ritter from McCleary, Washington.

In the coming months April will no longer be able to afford child care as a result of the cuts being proposed by Governor Gregoire. A mother of three, April works at a child care program herself—making just enough to make ends meet, and is completing her B.A. in March. The subsidy she receives makes working possible, and gives her children a safe, stable learning environment in which to thrive. Without this subsidy, however, April may have to give up her job and is very likely to have go back on welfare – when that happens, she’ll be eligible for the subsidy again, and the cycle starts again.

Listen to April’s story here: <http://www.youtube.com/watch?v=dWmYEusbxK0>

What will this mean for Low Income Parents?

To understand what this means for a typical family, **here’s a sample monthly budget for a single parent with 2 kids earning \$2700/month:**

Monthly Budget WITH Working Connections Child Care Subsidy

Income (Full time \$13.75/hr + \$400 Child Support) \$ 2,700
Income after Taxes \$ 2,430

Expenses:
 Rent and Utilities \$ 1,200
 Food \$ 300
 Gas and Car Insurance \$ 350
 Subsidy copay \$ 75
 Medical expenses (no insurance) \$ 100
 Misc (school supplies, clothes, toiletries) \$ 100
Total Expenses \$ 2,125

Net Monthly WITH Working Connections \$ 305

WITHOUT Working Connections Child Care Subsidy

Income after Taxes \$ 2,430

Expenses:
 Rent and Utilities \$ 1,200
 Food \$ 300
 Gas and Car Insurance \$ 350
Child Care (\$800/child) \$ 1600
 Medical \$ 100
 Misc \$ 100
Total Expenses \$ 3650

Net Monthly WITHOUT Working Connections \$ (1295)

Three Reasons That Cuts to Child Care Subsidies Are Short-Sighted

- 1. Cutting child care subsidies to low-wage workers will force many parents to quit their jobs and turn to TANF support.** They simply will not be able to juggle the needs of their families, their job, and also pay the full price of child care.” It doesn’t make sense to force people to make a choice between care for their kids or keeping a job, only to immediately support them with child care to look for a job through TANF. Within the emergency rule filed by the Department of Early Learning, the authors note that the reason for cutting child care subsidies is to close the funding gap within TANF (Work First). They point out that “the shortfall is the result of increased demand for the program due to the economic recession,” and that “in the last two years, the Work First caseload has grown by more than 30 percent from July 2008 to June 2010.” Cutting child care subsidies for working parents is very likely to lead to more families needing TANF, the very thing that the Governor is trying to avoid.
- 2. Recent research by Dr. Mildred Warner of Cornell University finds that reductions in licensed child care have a negative, compounded effect on the economy.** She found that when a family can no longer afford child care, the child care provider loses revenue, staff are let go, and some centers and family child care providers will go out of business. As a result, at each of those levels, people have less money to purchase goods and services. Additionally, as pointed out above more families will end up on TANF—costing taxpayers more. Warner’s research concludes that a reduction in child care funding will lead to much higher costs in the long run and make the recession deeper.

3. **While Working Connections is considered a work support program, it is also an early learning program for our some of our most at-risk children.** High quality early learning ensures that kids are ready for school and can take advantage of life's many opportunities. We know that a big part of quality is stability for a child during these critical years of development. Cutting child care subsidies means that many families will have no choice but to remove their child from their child care situation, only to have to look for other options when they qualify for TANF and look for work. The result is a higher cost to the state and disruption for kids and families at a time when they are most in need of steady, consistent care.

Hearing Schedule

Thursday, October 7, 2010, 6:30 p.m. to 9:00 p.m.

Southwest Washington Educational Services District 112

2500 N.E. 65th Ave.

Vancouver, 98661-6812

You may join this hearing at any time from 6:30 to 9:00 p.m. Those who cannot join this hearing in-person may participate live at the following locations by video conference at:

Educational Services District 123

3918 W. Court Street – Blue Mountain Room

Pasco, 99301

Puget Sound Educational Services District 121

800 Oakesdale Avenue SW – Puyallup Room

Renton, 98057-5221

Saturday, October 9, 2010, 10:00 a.m. to 12:30 p.m.

Yakima Valley Community College

Parker Room

South 16th Ave. & Nob Hill Blvd.

Yakima, WA. 98902

About WSA

The Washington State Association of Head Start/ECEAP is a statewide organization composed of representatives from ECEAP, Head Start, Early Head Start, Migrant/Seasonal Head Start, and Native American Head Start. The association has been in existence since the late 1960's, and was incorporated as a non-profit organization in 1986. The organization advocates for Head Start and for ECEAP in Olympia and in Washington DC. You can visit our web site at www.wsaheadstarteceap.com.

CONTACT: Please contact Joel Ryan at (253)486-9077 or Katy Warren at (206)291-2021 if you need additional information on the impact of these cuts or you can contact April Ritter directly at (360)470-2758 or (360)482-5439