

May 29, 2009

Governor Arnold Schwarzenegger
State Capitol Building
Sacramento, CA 95814

Re: 2009-2010 State Budget- Child Care & its Vital Role in the Recovery of our Economy.

Dear Governor Arnold Schwarzenegger,

We strongly urge the Legislature and the Governor to maintain all existing child care services at the current funding level. California has a long history of innovation and inspiration for the rest of the country, and child care is a key part of its success. **CalWORKs child care** plays a vital role in our state's economic recovery. When parents are working, they maintain or work toward self-sufficiency and pay taxes to support California's communities.

Please continue the necessary full funding for Stages 1 and 2 as well as Stage 3 child care. Stage 3 child care must be fully funded to ensure that families don't return to cash aid and repeat a cycle that hinders the **economic recovery** of our state.

When you protect child care funding, you protect California's working families.

A loss of CalWORKs child care directly translates to **2,500 working parents** who would be at a great risk of losing their jobs in San Francisco. Over **2,600 San Francisco child care providers** would lose significant income and possibly go out of business. The small businesses involved would no longer be contributing to the economy through the usual streams of income taxes, purchases of taxable goods and commodities, rent, utilities, and other expenditures. San Francisco is, of course, only one of our state's 58 diverse counties. The cumulative statewide impact would negatively contribute to an already struggling economy, resulting in more job loss and less tax revenue.

Conversely, investments in child care programs have many positive impacts on the economy. A recent study notes that each \$1 million spent on **CalWORKs** results in \$1.34 million in economic output and \$25,000 in state sales tax revenue. (See Child and Family Policy Institute of California, Spending on County Human Services Programs in California: An Evaluation of Economic Impacts http://www.cfpic.org/downloads/CFPIC_Beacon_report09.pdf)

When you protect child care funding, you protect California's businesses.

As noted on the chart below, elimination of CalWORKs Stage 3 child care alone would negatively affect over 850 working parents and 900 child care provider businesses in our county alone.

Program	Parents	Providers
Stage 1	1806	1712
Stage 2	805	772
Stage 3	868	948
All CalWORKs	3479	3432
Unique Sum*	2598	2682

*The above chart reflects all parents/providers who participate in CalWORKs based on payments as of May 26th, 2009. Since parents move from one stage to another during the year there are duplicates between programs when listed as "All CalWORKs". Therefore the unique sum is the total individuals affected without duplication for all programs.

Losing these valuable economic contributions during our current fiscal circumstances is equivalent to cutting off one's nose to spite one's face. We know that more tough choices are ahead but we respectfully request that the Legislature and Governor not undermine the infrastructure needed for our state's financial viability. Child care is an industry that has been pivotal to California's position in the top eight of the world's economies for many years. Please continue these vital investments so families and businesses can flourish for decades to come.

When you protect child care funding, you protect California's economy.

Thank you for your leadership during these difficult times. We look forward to your continued support of California's child care industry, working families, and businesses big and small.

Child care keeps California working.

Sincerely,

Linnea Klee, Ph.D.
Executive Director

Bryce Skolfield
Director of Public Policy & Communications

Parent/Guardian Quotations on Subsidized Child Care:

"I am a widowed father of two young children. As I work two restaurant jobs to make ends meet, low-cost childcare has been a lifesaver for me. I know that my children are in safe and competent hands while I work."

~Mei-Li, Richmond Neighborhood, San Francisco, CA

"We moved to the United States to have a better life. We have worked hard, living paycheck to paycheck for years, and subsidized childcare finally helped us get on our feet and gave our two children a more comfortable life."

~Ernie and Carlos, Visitacion Valley Neighborhood, San Francisco, CA

"With the help of subsidized childcare, my daughter has received care in an excellent pre-school where she is doing very well, and my son attends an after-school program that helps him with homework and provides him with a safe place to play until I can pick him up. I am currently working full-time, and working towards my nursing degree."

~Aracely, Bayview Neighborhood, San Francisco, CA

"I am a single mother and sole supporter of my young child. Without her subsidized childcare, I would have to find a second job to be able afford care through other programs. I would be devastated that I would be working so much and rarely see my daughter, and a stranger would be raising her."

~Joanna, Excelsior Neighborhood, San Francisco, CA

cc: Assembly Member Noreen Evans, Assembly Member Kevin de León,
Assembly Member Bob Blumenfield, Assembly Member Roger Niello, Assembly Member Jim Nielsen, Senator Denise Ducheny, Senator Bob Dutton, Senator Mark Leno, Senator Alan Lowenthal, Senator Mimi Walters,
Senator Leland Yee, Assembly Member Tom Ammiano, Assembly Member Fiona Ma