



January 30, 2016

Commissioner Amy Jacobs
Georgia Department of Early Care and Learning
2 Martin Luther King Jr. Drive SE, 754 East Tower
Atlanta, Georgia 30334

Re: Child Care and Development Fund Plan for Georgia FFY 2016-2018

On behalf of The Atlanta Women's Foundation (AWF), thank you for the opportunity to submit comments in response to the Child Care and Development Fund Plan for Georgia FFY 2016-2018. AWF is the only independent foundation in Georgia focusing specifically on the needs of women and girls. AWF's mission is to be a catalyst for change in the lives of women and girls and to end generational poverty. We have invested more than \$13 million in nonprofit organizations working to move women and girls into economic self-sufficiency. Generational poverty is deep-rooted and complex. The absence of economic self-sufficiency is at the heart of critical issues faced by women and girls in our community. AWF exists because barriers to success continue to impede women and girls living in poverty.

AWF commends DECAL's plan to increase income eligibility limits, decreased co-payments, and increase subsidy payment rates. Quality child care is expensive. Georgia is home to nearly 544,000 families that qualify as low income. Nearly 400,000 of these Georgia families work for most or all of the year, but still struggle. Nearly four in 10 of Georgia's working families with children are low-income, putting Georgia among the ten states with the highest proportions of low-income working families.

There are 320,000 women and girls living in poverty in Clayton, Cobb, DeKalb, Fulton and Gwinnett counties. We applaud DECAL for increasing the income eligibility thresholds for families who are at 65% of the state median income. In 2013 AWF conducted a Community Assessment Survey to 200 direct service organizations serving economically vulnerable women and girls. The majority of the respondents cited childcare as a major barrier to self-sufficiency for their clients. The Federal Child Care and Development Block Grant allows states to increase income eligibility levels up to 85 percent of state median income. If Georgia increased its income eligibility cutoff to the maximum allowed by federal rules, families of three earning up to \$49,179 could qualify for child care assistance. (Sec. 3.1.4)

Many low-income parents raising young children in Georgia are not able to afford the high cost of quality child care. Going without such care can prevent them from obtaining jobs, keeping jobs, and earning higher wages. Parents are more likely to stay employed longer when they receive the assistance. A consistent, safe child care arrangement gives parents the chance to work for longer periods of time with fewer interruptions. This steady work schedule allows low-income parents to increase earnings. A study that compares 52 Georgia mothers receiving child care assistance with 50 demographically similar Georgia mothers on waiting lists for the assistance identified a link between a lack of assistance and poverty. Families on waiting lists were six times more likely than families receiving assistance to report incomes less than half of the federal poverty threshold. Parents who receive assistance will have more choices for quality child care if child care reimbursement rates to providers are raised. Higher-quality care benefits both children and the parents who are better able to focus at work. Aligning child care assistance payments with the market makes it more likely that conveniently-located providers will work with a parent receiving assistance. (Sec. 4.3.3)

Georgia's plan to decrease co-payments can also enable more families to access quality child care. High co-payments create a barrier to parents who want child care assistance. Parents who qualify for assistance already struggle to pay for housing, food, health care and other necessities. That does not leave room in their budgets to pay high fees. Lowering co-payments would allow more parents to reap the benefits of assistance, including fewer work

interruptions, longer term employment and higher earnings. More than 40 percent of Georgia's low-income working families with children are headed by single women. Paying for child care represents a particularly tough struggle for these families. The annual median income for a family headed by a single woman in Georgia in 2013 was \$28,003. (Sec. 3.4.2)

Expanding childcare assistance will also benefit Georgia's economy by helping parents rejoin the workforce. Low-income parents across the country who are not working cite "home and family reasons," such as taking care of children as their leading reason for not working. A preponderance of research shows child care assistance can help these families contribute more to the workforce and to their own finances. Child care-related disruptions cost U.S. businesses an estimated \$3 billion each year.

While The Atlanta Women's Foundation applauds your efforts to expand access to child care assistance, we are concerned that no additional money has been allocated in the Governor's Budget Reports for the Amended Fiscal Year 2016 and Fiscal Year 2017 to support Georgia's subsidized childcare program. Thus, the budget for the program will have to be stretched to accommodate increased income eligibility limits, decreased co-payments, and increased subsidy payment rates. This will likely result in fewer families served. We implore Georgia's policymakers to add more money to the budget for subsidized child care so that the state can continue to serve at least 62,000 children as it did in federal fiscal year 2014 while taking the positive steps outlined in the draft Child Care and Development Fund Plan.

AWF will continue to raise funds and awareness to support this issue. We are here to support your efforts to make child care affordable and accessible to Georgia families in need.

Sincerely,

A handwritten signature in black ink that reads "Kelly Dolan". The signature is written in a cursive, flowing style.

Kelly Dolan
Executive Director