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## Governor's January & May Revise Budget Proposal-Highlights 2010-11 (5-14-10)

### Child Care and Child Care Related Issues

January Proposals	Legislative Analyst's Proposals	May Revision Proposals
<b>I. Child Care</b>		<b>Eliminates all state support for child care (Prop. 98) except for preschool and school age child care (\$1.2 billion)</b>
a. COLA decrease for child development programs of (-.38%)- \$5.9 million	Reject COLA decrease proposal	
b. Regional Market Rate (RMR) Effective July 1, 2010 reduce RMR from 85 <sup>th</sup> percentile to 75 <sup>th</sup> percentile of 2005 RMR survey (decrease \$77.1 million) Reduce the reimbursement rate for license-exempt providers from 90% of the ceiling for licensed family child care to 70%. (APP- \$12 million, Stage 1 - \$54 million, Stage 2 - \$37 million and Stage 3 - \$28.1 million)	Use the 2009 RMR survey and reimburse at the highest possible level which is estimated at the 60 <sup>th</sup> percentile	Effective October 1, 2010 reduces the level at which the state reimburses child care providers (decrease of \$41.1 million)-different from January proposal due to delayed implementation.
c. Stage 3  \$122.9 million decrease to Stage 3 child care. Noting that Stage 3 is not an entitlement. Exploring reform proposals to be addressed in coming months to serve the neediest of families	Reduce the State Median Income Level to 60% for all programs instead of cutting Stage 3 funding	Reduce the State Median Income level to 60% from the current 75% for all subsidized child care programs except for the State Preschool program
d. General Child Care & Preschool Backfill one-time funds for preschool- an increase of \$65.5 million to backfill of one-time funds used in the current year.		
e. Extended Day/Latchkey Program		

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Decrease of \$5 million in one-time funding appropriated for the phase out of the program in 2009-10		
	Reallocate \$14 million CCDBG quality child care funding (amount over 4% set-aside) to direct services	Decrease of \$5.2 million to train CalWORKs recipients due to elimination of CalWORKs program- this may not be quality funding  Reduces funding for Quality Services from \$68 million to \$64.5 million- \$3.5 million
		Eliminates all state funding for child care resource & referral programs (\$19.438) (Federal funding is unclear)
		Reduces funding for Local Planning Council from \$6.637 million to \$1.75 million
		Eliminates funding for state CCCIP (\$250,000)
		Eliminates funding for Centralized Eligibility List (\$7.9 million)
		Reduces funding for Trustline and other non-direct child care services from \$7.99 million to \$1.927 million

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<b>II. First 5 California &amp; Local Commission</b>		
<p>a. Redirect \$550 million of Commission funding (for 5 years) to high-priority state programs serving children. (50% of revenues for state and local commissions - \$242 million ongoing and a one-time sweep of state and local reserves- \$308 million). Requires voter approval- June 2010 ballot initiative.</p>		<p>An increase of \$118,000 to CDE from the First 5 Commission for the ELAC. 1 additional position. Added \$550 million of General fund support back into the budget since re-direction of Prop. 10 funding wasn't enacted. Request from state &amp; local First 5 Commissions of \$81.4 million for children receiving insurance thru healthy families and \$50 million for children receiving services thru Department of Developmental Services.</p>
<b>III. CalWORK's</b>		
<p>a. Reduce CalWORKs grant</p> <p>15.7% reduction in cash grants- effective June 2010- Also notes proposed elimination of the CalWORKs program in the event that anticipated federal revenues are not received.</p>		<p>Eliminates CalWORK's for a savings of \$1.1 billion</p>
<p>b. Eliminate all eligibility for CalWORKs for legal immigrants</p>		
<p>c. Eliminate Safety Net (Passed in 2009-10 budget and become effective at the end of the Federal ARRA funding)</p> <ol style="list-style-type: none"> <li>1- Restructure time limits- no aid for 12 months for adults in families that have received aid for 48 months in a 60 month time period.</li> <li>2- All non-exempt recipients no meeting work requirements must meet fact-to-face 2 x's a year.</li> <li>3- Strengthen sanctions for adults who don't comply with program requirements and</li> </ol>		

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<p>progressively decrease family's monthly grant amount.</p>		
<p><b>d. Child Care Adjustment</b></p> <p>In addition to a recommended decrease in provider reimbursement (see child care section) decrease of \$12.4(FY09-10) and \$13.8 (FY10-11) million for estimated decrease in Stage 2 &amp; Stage 3 child care caseload</p>		<p>Any Federal funding under Stage 2 &amp; Stage 3 is transferred to alternative payment programs thus eliminating Stage 2 &amp; Stage 3</p>
<p><b>IV. Other Related Services</b></p>		
<p><b>a. Healthy Families</b></p> <p>Effective May 1, 2010- reduce program eligibility from 250 – 200% of federal poverty level. Effective July 1, 2010-eliminate vision coverage and increase monthly premiums paid by families with income above 150% of federal poverty. Eliminate the Healthy Families Program- \$126 million – In the event that anticipated federal revenues are not received.</p>		<p>See comments under item #II- First 5 California</p>
<p><b>b. Cash Assistance Program for Immigrants (CAPI) and California Food Assistance Program (CFAP)</b></p> <p>These programs replaced food stamps and SSI for legal immigrants when they were eliminated by federal welfare reform in '96.</p>		<p>Effective October 1, 2010-Eliminates CAPI (\$73.6 million) &amp; CFAP (\$42.8 million)</p>

For complete budget summary information go to: [www.dof.ca.gov](http://www.dof.ca.gov) and click on California 2010-11 Budget