



# Governor's Special Session and January Budget Proposal Highlights

2008-09 (Revised 1-31-08)

## Child Care and Child Care Related Issues

| Proposals   | Comments  | Network Position |
|---|---|------------------|
| <b>I. Child Care</b>  |   |                  |
| a. NO COLA for child development programs   | COLA is currently estimated at 4.94%. No COLA is provided for K-12 or child development due to the need for budget reductions (est. reduction \$80 – 82 million)  |                  |
| b. NO Growth funding  | Est. reduction \$10.9 million   |                  |
| c. Program reduction of \$198.9 million (amount includes loss of COLA and growth for child development noted above) | <ul style="list-style-type: none"> <li>• Appr. 8,000 existing slots will be reduced through anticipated attrition (exempts Stage 2 &amp; 3 from reduction) additional 8,000 loss through use of unexpended funds.</li> <li>• Specific cuts noted on last page</li> </ul>                  |                  |
| d. SMI frozen at 2007-08 level  | SMI frozen in budget year (2008-09)   |                  |
| e. Reimbursement Rate Freeze  | Current reimbursement rate frozen.  |                  |
| f. AP admin./support  | Reverts to 19% from 20% on total contract amount  |                  |
| <b>II. Community Care Licensing</b>   |   |                  |
| a. Reduce random sample visits from 30% to 14% annually   | 08-09 assumes Jan. 09 implementation at \$2.3 million and 33 PYs. Out years = \$4.6 million in General Fund reduction and reduction 66 PYs.<br>Maintain funding for complaint visits, case management visits, 5 year visits. and automation strategy.<br>Silent on “trigger” requirement. |                  |
| <b>III. After-School Programs</b>   |   |                  |
| a. Reduce funding- Prop. 49   | Requires initiative process. If doesn't materialize then reductions must come from elsewhere.   |                  |
| <b>IV. CalWORK's</b>  |   |                  |
| a. 10% Single county cut  |   |                  |

Compiled by the California Child Care R&R Network 1-31-08 contact Donita Stromgren at [donita@cal.net](mailto:donita@cal.net) or at (530) 750-1127 for more information

|   |   |         |
|---|---|---------|
| b. Reduction and elimination of cash assistance to families | Implementing Full Family Sanctions over 12-month period - families w/ adult who does not comply w/ CalWORK's requirements in a 6 months period, drop grant-50%, in a year, drop totally.                      |         |
|   | Eliminate the safety net for children- eliminate cash award for children when a parent "times-out" of CalWORK's after 60 months of assistance unless the parent meets federal work participation requirements | Oppose* |
|   | Terminates cash assistance for children after 60 months if parents are ineligible - including US citizen children of undocumented immigrants and parents that are drug felons.                                | Oppose* |
| c. 4.25% increase in CalWORK's cash grants                  | Increases maximum benefit from \$723/ month to \$754/month for a family of 3  |         |

| Specific Program cuts             | 2007-08 allocation     | 2008-09 proposed cuts  | % cut       |
|-----------------------------------|------------------------|------------------------|-------------|
| State Preschool                   | \$ 441,854,000         | (\$28,452,000)         | 6.4%        |
| General child care centers/FCCHEN | \$ 719,386,000         | (\$51,814,000)         | 7.2%        |
| Migrant Centers                   | \$ 35,159,000          | (\$2,612,000)          | 7.4%        |
| AP(General Child Care)            | \$ 112,258,000         | (\$16,551,000)         | 14.7%       |
| R&R                               | \$ 19,438,000          | (\$1,252,000)          | 6.4%        |
| Latchkey (Extended Day)           | \$ 35,890,000          | (\$2,311,000)          | 6.4%        |
| Handicapped                       | \$ 1,997,000           | (\$1,997,000)          | 6.4%        |
| Child Care Initiatives            | \$ 250,000             | (\$16,000)             | 6.4%        |
| Quality Services                  | \$ 67,572,000          | (\$3,885,000)          | 5.7%        |
| CELs                              | \$ 7,900,000           | (\$509,000)            | 6.4%        |
| LPC                               | \$ 6,637,000           | (\$427,000)            | 6.4%        |
| <b>TOTAL</b>                      | <b>\$1,448,341,000</b> | <b>(\$107,958,000)</b> | <b>7.4%</b> |

\*Network preliminary position based on previous year positions

For complete budget summary information go to: [www.dof.ca.gov](http://www.dof.ca.gov) and click on California 2008-09 Budget