



Governor's Budget- General Fund Proposal Highlights Preliminary 2009-10 (12-31-08)

Child Care and Child Care Related Issues

Proposals	Comments	Network Position
I. Child Care		
a. NO COLA for child development programs	COLA is currently estimated at 5.02%. Consistent with all other Prop. 98 programs- no COLA included (savings \$79.5 million)	
b. Growth funding (no R&R and no LPC)	1.23% statutory growth- increase of \$18.9 million	
c. State Median Income eligibility level /family fee	No specific mention of change to the SMI, but increases fees by \$2/day at the low end of the scale and increase fees on a sliding scale up to 10% of income (earlier than current schedule) Flat family fee remains (decrease \$14.4 million)	Oppose*
d. Regional Market Rate (RMR)	Effective July 1, 2009 reduce RMR from 85 th percentile to 75 th percentile of 2007 RMR survey (decrease \$38.7 million)	Oppose*
e. Stage 2 & Stage 3	2008-09- Decrease of \$42 million to reflect expected savings in Stage 2 & 3 child care based on November estimates 2009-10- \$287.5 million increase to fully fund Stage 2 & 3	
f. General Child Care & Preschool	Permanent decrease of \$55 million in anticipated savings for child care programs of annual unexpended funds	
g. One-time funds	Reappropriation of \$108 million of anticipated savings in prior-year child care programs	
h. CDE (PARIS) system	\$736,000 increase to CDE of federal funds for next phase implementation of the Child Care Provider Accounting and Reporting Information System	
II. Licensing (CCL)		
Comments		
a. Technical Assistance fund/license fee increase	Increase of \$3.5 million for CCL for investigation of Registered Sex Offenders and investigation of serious crime arrests of licensees. Licensing fees would be increased as needed to offset the General Fund impact	
Network Position		

III. First 5 California & Local Commission	Comments	
a. State Commission	Eliminates the State Commission and redirects all state funds (this includes state matching funds to the local commissions) Must be approved by voters.	
b. County Commission	Redirects 50% of local funds to support children's programs administered by the DSS. (indicates no impact to local fund reserves) Must be approved by voters.	
IV. CalWORK's	Comments	Network Position
a. Suspend CalWork's COLA	Decrease of \$79.1 million in 2009-10	
b. County incentive program- Pay for Performance	Decrease of \$40 million in CalWorks by suspending the Pay for Performance county incentive program	
c. Modification of Safety Net Program	Decrease of \$123.5 million: <ul style="list-style-type: none"> • Modify awards to families not fully participating in federal work requirements • Impose 60-month time limit on certain child-only cases • Implementation of a six-month self sufficiency review for families not participating in work requirements • Reduce monthly assistance payment by 10% 	Oppose*

Revenue Proposals:

- Raise the state sales tax by 1.5 cents for three years- \$9.5 billion
- Impose sales taxes on some services- \$1.4 billion
- Reduce tax credit for dependents from \$309 per dependent to \$99- \$1.4 billion
- Impose a 9.9% per barrel tax on oil extracted from California- \$1.2 billion
- Raise excise tax on alcohol by 5 cents a drink- \$829 million
- Raise annual vehicle registration fee by \$12 per vehicle- \$451 million
- Eliminate property tax deferral for eligible elderly, blind or disabled home owners- \$38.5 million

*Network preliminary position based on previous year positions. Lack of an OPPOSE position should not be viewed as support, but rather that the Network's policy committee has not discussed the issue and taken a specific position at this time.

For complete budget summary information go to: www.dof.ca.gov and click on California 2009-10 Budget