



County of Los Angeles
Child Care Planning Committee and Policy Roundtable for Child Care



Winners and Losers
A Report on the California State Budget and Legislation
Child Care and Development

California State Budget 2010-11¹

Introduction

On October 8, 2010, Governor Schwarzenegger signed the 2010-11 State Budget Bill; approximately 10 days later, he signed 19 implementation bills. Prior to signing the State Budget bills, he vetoed \$963 million in General Fund appropriations to achieve his goal of closing the \$19.3 billion budget gap, increase the reserve from \$375 million to \$1.3 billion, and pushing a comprehensive plan for pension reform. Spending for 2010-11 remains relatively flat at \$86.6 billion, compared to \$86.3 billion for 2009-10.

Child Care and Development Services

The Budget Act of 2010 (Senate Bill 870, Chapter 712) contains substantial cuts to child care and development programs as follows:

- Eliminates \$256 million in funding for CalWORKs Stage 3 Child Care. A remaining balance of \$128.8 million in federal funds was allocated to support the program through October 2010, when services would be terminated.²
- Slashes the budget for the Local Planning Councils (LPCs) in half from \$6.6 million in previous years to \$3.3 million for 2010-11. The LPCs are required to meet their mandated requirements to the extent possible with data that is readily available.
- Reduces funding for the Child Care Recruitment and Retention Program by just over 21 percent, from \$15 million to \$11.825 million.
- Caps reserve account balances held by center-based reserves to five percent of the sum of the contract maximum reimbursable amount. The Superintendent of Instruction is to offset the 2010-11 apportionments with funds maintained in the contractor's center-based reserve account as of June 30, 2010 and continue until the reserve is at five percent. A savings of \$83 million is targeted; if not achieved, the California Department of Education (CDE) may conduct quarterly analyses of fiscal and attendance reports for the 2010-11 fiscal year for all contracts and may adjust the contract maximum reimbursable amounts due to underutilization of funds to reach the savings.
- Reduces from 19 to 17.5 percent the administrative and support account allowance for voucher-based programs (e.g. Alternative Payment Program agencies) for a savings of \$17.1 million.
- Adjusts funds allocated for quality improvements to the federal minimum requirement of four percent of federal child care and development funds received, resulting in reductions to some quality improvement activities.

¹ For a more detailed account of the budget impact on child care and development services, read the policy brief, *Governor Signs 2010-11 Budget Bills: Impact on Child Care and Development Services* prepared on behalf of the Policy Roundtable for Child Care (November 1, 2010) and available for download from www.childcare.lacounty.gov; click on Public Policy from the menu on the left of the screen..

² The Office of Child Care has prepared a policy brief on behalf of the Policy Roundtable entitled *Status of CalWORKs Stage 3 Child Care* updated as of November 12, 2010, which is available for download from www.childcare.lacounty.gov; click on Public Policy from the menu on the left of the screen. To request a copy of the policy brief, you may also contact Michele Sartell by e-mail at msartell@ceo.lacounty.gov or by telephone at (213) 974-5187.

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- Cuts an augmentation of funding proposed by the legislature to support additional staff positions and associated committee expenses relating to the work of the Early Learning Advisory Council. Instead, provides funding for two time-limited positions until July 2013. In addition, deleted a provision stating legislative intent to use a portion of American Recovery and Reinvestment Act (ARRA) funds to study the feasibility of implementing a data system with information on children from birth to five.
- Reduces the Regional Market Rate (RMR) paid to license-exempt providers from 90 to 80 percent of the rates paid to licensed family child care providers. The change affects voucher-based programs (e.g. Alternative Payment Program and CalWORKs Stage 1 and Stage 2 Child Care) for a total savings of \$31 million.
- Allocates a small augmentation of \$18.8 million to Community Care Licensing, bringing the budget to \$2.1 billion.

California State Legislature – First Year, 2010³

Introduction

The legislature considered up to 37 bills relating to child care and development during the second year of the state legislative session ending August 31, 2010. Ten bills ultimately made it to the Governor's desk for his consideration, of which eight were signed and two were vetoed. This section contains a brief summary of the bills that passed the legislature for the Governor's consideration and his actions. Bills take effect on January 1, 2011, except for urgency measures which take effect immediately.

Licensing/Health and Safety/Nutrition

AB 222 (Adams)	As of January 1, 2011, persons 18 years of age or older who provide care or supervision of children in an ancillary child care center (i.e. athletic club, business for children of clients or customer, etc.) are to be registered as a Trustline provider. Employers under 18 years old are exempt from Trustline registration. Fees for Trustline registration is to be consistent with the cost of processing applications and maintaining the Trustline registry. <i>Urgency statute.</i>	Chapter 431 Signed by Governor: September 29, 2010
AB 2084 (Brownley)	Beginning January 1, 2012, licensed child care sites are to meet certain requirement relating to the provision of beverages. Programs are to serve only lowfat (1%) or nonfat milk to children two years old or older, limit servings of juice, and are banned from serving beverages with added sweeteners. Exceptions are children with medical necessity documented by a physician or when the beverages are supplied by the parent or legal guardian for their child.	Chapter 593 Signed by Governor: September 30, 2010

³ To obtain additional information about any legislation, go to www.leginfo.ca.gov/bilinfo.htm.

AB 2478 (Mendoza)	Would have expanded existing law that applies to any person who comes onto school property or the adjacent and creates a disruption with the intent to threaten the immediate public safety of any pupil arriving at, attending, or leaving any preschool, kindergarten, on any grades 1 to 8. The person would be guilty of a public offense.	Vetoed: September 30, 2010 <i>Veto message, in part:</i> "I believe it is important to ensure the physical safety of all students, but the protection provisions of this bill do not include students in grades 9 through 12. I am also concerned that the provisions of this bill would likely be ineffective, limited to situations where the person charged with interfering with the peaceful conduct of a school would have to have the specific intent to physically harm students rather than causing a disruption that causes physical harm. Since this bill is too narrowly drawn and otherwise duplicates existing law governing the crime of making criminal threats, I am unable to sign this measure."
SB 1116 (Huff)	Defines heritage schools as public or private schools that offer foreign language education or tutoring and cultural education relating to a foreign country to children from four years, nine months old to age 18. School contractors are to comply with fingerprinting and criminal background checks. In addition, the director is required to take at least 15 hours of health and safety training inclusive of pediatric first aid and CPR and require employees and volunteers to be in good health as verified by licensed physician or surgeon. Parents/guardian are to be notified if the school does not hold a child care license. Operators of heritage schools are required to annually file with the Superintendent of Public Instruction (SPI) an electronic registration form. Exempts heritage schools from licensure.	Chapter 286 Signed by Governor: September 23, 2010
Kindergarten Transition		
SB 1381 (Simitian)	Changes the required birthday for kindergarten entry to November 1 for the 2012-13 school year, October 1 for the 2013-14 school year, and September 1 for the 2014-15 school year and ongoing. Children whose admission to kindergarten is delayed are to be admitted to a transitional kindergarten program offered by the school district. Children may attend a transitional kindergarten program for up to two years. Participants are to be included in computing the average daily attendance for the school district for calculating apportionments.	Chapter 705 Signed by Governor: September 30, 2010
Professional Development		
SB 1440 (Padilla)	Enacts the Student Transfer Achievement Reform Act, which will require a student that receives an associate degree for transfer be deemed eligible for transfer into a California State University bachelor degree program as a junior. The community college may not require additional courses for the degree.	Chapter 428 Signed by Governor: September 29, 2010

School Age Children		
AB 434 (Block)	Allows the Afterschool and Education Safety (ASES) Programs to include as direct costs program site supervisors provided that at least 85 percent of their time is spent at the program site.	Chapter 229 Signed by Governor: September 23, 2010
AB 1876 (Torlackson)	Would have allowed ASES Programs to provide activities on weekends with costs paid from the program's maximum grant or supplemental grant.	Vetoed: July 23, 2010 <i>Veto message, in part:</i> "The need is so great for these valuable after school programs that there is still not enough funding to meet the long waiting list of schools and students seeking to have an after school program. As a result, with so many program applications pending on the waiting list to start offering services during the regular school week, I do not believe it is prudent to expand to weekend hours at this time."
AB 2178 (Torlackson)	Consistent with federal and state privacy laws, authorizes local education agency (LEA) grantees to submit to after school programs (ASES and 21 st Century Community Learning Centers) with whom LEA has a contract pupil data, including: school attendance, standardized test scores, high school exit exam scores, English language development test placement or reclassification score, and CA Health Kids Survey results in aggregate form.	Chapter 462 Signed by Governor: September 29, 2010
SB 798 (DeSaulnier)	Amends existing law relating to the allocation of funds to 21 st Century Community Learning Centers Program by requiring that, in any fiscal year in which the total state appropriation for that fiscal year exceeds the total state appropriation for the 2008-09 fiscal year after certain funds have been allocated, the excess amount is to be allocated for direct grants to community learning centers as follows: 35% to centers serving high school students; 50% to centers serving elementary and middle school students; and 15% to summer programs serving elementary and middle school students. Priority for funding is to go to programs with expiring grants if the programs have satisfactorily met projected pupil outcomes.	Chapter 479 Signed by Governor: September 29, 2010
Data/Miscellaneous		
SB X5 2 (Simitian)	Requires the CDE to develop a process for LEAs to collect, maintain and report information using a unique student identifier for state and federally funded child care and development programs by January 1, 2011. The CDE is to manage the data on behalf of the LEAs in compliance with confidentiality laws. In addition, the bill states the legislative intent to create a preschool through higher education statewide longitudinal educational system to inform policy and improve instruction.	Chapter 1 Signed by Governor: January 7, 2010
SCR 47	State's legislative intent to increase funding of child development centers and preschools as resources become available in order to pay adequate staff salaries and benefits, support program quality, and keep programs open to serve children and their families.	Chapter 78 Filed by Secretary of State: August 1, 2010