



Governor's Budget Proposal: 2010-11

Child Development Services

Prepared on behalf of the County of Los Angeles
Child Care Planning Committee and
Policy Roundtable for Child Care
www.childcare.lacounty.gov



BUDGET HIGHLIGHTS

- Governor's Budget General Fund Proposals for 2010-11 released January 8, 2010
- Projects budget deficit of \$19.9 billion through 2010-11
 - \$6.6 billion shortfall for 2009-10
 - \$12.3 billion shortfall for 2010-11
 - \$1 billion modest reserve
- Proposes spending cuts in health and human services and leveraging federal funds

BUDGET HIGHLIGHTS

Trigger **reductions** if no federal government funds:

- Eliminate CalWORKs
- Fund existing mental health services with Prop 63 funds
- Eliminate Healthy Families
- Reduce Medi-Cal eligibility
- Freeze award levels and income eligibility for Cal-Grants
- And more...

BUDGET HIGHLIGHTS

Trigger **revenues** if no federal government funds:

- Extend reduction in credit for each dependent on personal income tax from \$319 to \$102
- And more...

MAJOR CHANGES

REDUCTIONS & REDIRECTIONS

HEALTH & HUMAN SERVICES

- Changes to CalWORKs
 - Restructure time limits
 - Require face-to-face meetings with non-compliant families
 - Strengthen sanctions
 - Reduce grant levels
- Reductions to Healthy Families
 - Reduce program eligibility
 - Eliminate certain benefits and raise premiums

FIRST 5 CA

- Reduce \$550 million in General Fund through redirection of Proposition 10 funds to high priority state programs serving children
 - Department of Social Services
 - Department of Developmental Services
- Requires voter approval

PROPOSITION 63

- Reduce General Fund by \$452.3 million and substitute Mental Health Services Act funding for portion of EPSDT program and portion of the Mental Health Managed Care Program
- Required voter approval

PROPOSED CHANGES

CHILD CARE & DEVELOPMENT

CURRENT YEAR ADJUSTMENTS (2009-10)

- CalWORKs Child Care Adjustments: Decrease of \$12.4 million to reflect expected savings in CalWORKs Stage 2 Child Care (\$9 million) and CalWORKs Stage 3 Child Care (\$3.4 million) caseload driven programs based on revised estimates

BUDGET YEAR PROPOSALS (2010-11)

- Decrease funding for CalWORKs Child Care Stage 2 (\$12.6 million) and Stage 3 (\$1.2 million) based on revised caseload estimates
- Decrease of \$5 million in one-time funding appropriated for phase out of Extended Day/Latchkey Program
- Increase of \$65.5 million to backfill one-time funds for preschool used in current year

BUDGET YEAR PROPOSALS (2010-11)

- Decrease of \$5.9 million to reflect $-.38\%$ Cost-of-Living Adjustment (COLA)
- Regional Market Rate:
 - Reduce from 85th percentile to 75th percentile based on 2005 RMR survey effective July 1, 2010
 - Reduce reimbursement rate limits for licensed-exempt providers from 90% of ceilings for licensed family child care providers to 70%

BUDGET YEAR PROPOSALS (2010-11)

- Reduce funding for CalWORKs Stage 3 Child Care by additional \$122.9 million
 - Governor’s message: “Stage 3 is not an entitlement. Funding constraints require that Stage 3 must serve only neediest families. Going forward, it is the intent of the Administration to provide efficient, equitable child care services to California’s neediest families, CalWORKs and non-CalWORKs working poor families alike. Therefore, the Administration intends to explore options in the coming months to achieve these goals and to develop such reform proposals for action this year.”

FEDERAL BUDGET

OPPORTUNITIES

FEDERAL BUDGET – 2010-11

- Released early February

CHILD CARE AND DEVELOPMENT

- Child Care and Development Block Grant (CCDBG) Reauthorization
- Head Start/Early Head Start
- Elementary and Secondary Education Act (ESEA) Reauthorization
 - Title I – Early Childhood
 - Title II – Academic Training and Professional Development
 - Title IV, Part B – 21st Century Community Learning Centers

CHILD CARE AND DEVELOPMENT

- Individuals with Disabilities Education Act (IDEA) – Part B (Preschool), Part C (Infants/Toddlers)
- ARRA – Race to the Top, Investing in Innovation Fund
- Temporary Assistance for Need Families (TANF) Reauthorization

EARLY LEARNING CHALLENGE FUND

- Provision of the Student Aid and Fiscal Responsibility Act of 2009 (H.R. 3221)
- Would provide competitive grants to states to:
 - Promote standards reform
 - Establish high standard of quality
 - Fund and implement quality initiatives
 - Ensure access to more disadvantaged children
 - Increase parent's ability to access quality settings

ARRA Opportunities

- State Fiscal Stabilization Fund
- Race to the Top
 - Invitational priorities:
 - Early learning
 - Seamless P-20 systems
- Investing in Innovation Funds
 - Competitive priorities:
 - Early learning
 - English language learners & children with disabilities

SOURCES

- Mead, S. *Federal Context & Funding Opportunities for PreK-3rd* (PowerPoint). New America Foundation, January 2009 (updated). Retrieved on January 19, 2010 from <http://earlyed.newamerica.net/sites/newamerica.net/files/profiles/attachments/MeadHGSEPreK3rd%20powerpoint%20updated%20011210.pdf>.
- Pre K Now. *Federal Initiatives*. Retrieved on January 14, 2010 from www.preknow.org/policy/positions/index.cfm.
- Schwarzenegger, A. *Governor's Budget Summary – 2010-11*. Retrieved on January 8, 2010 from www.ebudget.ca.gov/pdf/BudgetSummary/FullBudgetSummary.pdf.
- Zero to Three. *Tracking Federal Child Care & Early Childhood Education Policy*. Retrieved on January 14, 2010 from www.zerotothree.org/site/PageServer?pagename=ter_put_childcare_earlychildhood.