



# County of Los Angeles Policy Roundtable for Child Care



Policy Brief

August 15, 2009

## GOVERNOR SIGNS REVISED FY 2009-10 BUDGET BILLS: IMPACT ON CHILD CARE AND DEVELOPMENT SERVICES

### Overview

Governor Schwarzenegger signed the revised 2009-10 State Budget bill and 19 implementation bills on July 28, 2009. Before signing the bills, the Governor vetoed \$489 million in General Fund appropriations. The Budget package and the Governor's vetoes make significant cuts to safety net programs that serve our County's most vulnerable populations – poor children and their families, children at risk of developmental delays, disabled adults, and the elderly – and to education. This policy brief summarizes budget items impacting child care and development programs that serve children from low to moderate income families.

### Child Care and Development Services

The Budget Act of 2009 (ABX4 1, Chapter 1) makes revisions to the 2009-10 Budget approved by the Governor in February of 2009 and includes adjustments to child care and development services. Table 1 lists the revisions to child care and development services administered under the California Department of Education (CDE), Child Development Division and Learning Supports.

<b>Table A. Fiscal Impact of Budget Act of 2009 - Child Care and Development Services</b>			
<b>Program</b>	<b>2009-10<sup>1</sup></b>	<b>2009-10 (Revisions)<sup>2</sup></b>	<b>ARRA</b>
<i>Child Development Division</i>			
State Preschool	\$429,376,000	\$373,378,000	
General Child Development	\$779,669,000	\$779,849,000	\$17,347,000
Migrant Child Care	\$36,246,000	\$36,246,000	\$3,087,000
Alternative Payment Program	\$258,811,000	\$258,811,000	\$15,743,000
CalWORKs Stage 2 (AP)	\$427,868,000	\$439,620,000	\$36,272,000
CalWORKs Stage 3 (AP)	\$389,429,000	\$393,373,000	\$18,905,000
Resource and Referral Programs	\$19,438,000	\$19,438,000	
Extended Day Care (Latchkey)	\$31,801,000	\$5,000,000	
Handicap Allowance	\$2,011,000	\$2,011,000	
California Child Care Initiative	\$250,000	\$250,000	
Quality Improvement	\$63,304,000	\$51,552,000	\$18,783,000
Centralized Eligibility List	\$7,900,000	\$7,900,000	
Local Planning Councils	\$6,637,000	\$6,637,000	
<i>Subtotal</i>	<i>\$2,452,740,000</i>	<i>\$2,374,065,000</i>	<i>\$110,137,000</i>
Cost of Living Adjustment (COLA)	0	0	
Growth	\$18,916,000	0	
<i>Subtotal COLA and Growth</i>	<i>\$18,916,000</i>	<i>0</i>	
<i>Child Care Facilities Revolving Fund</i>	<i>\$5,000,000</i>	<i>\$5,000,000</i>	
<i>Child Care and Development Services Total</i>	<i>\$2,476,656,000</i>	<i>\$2,379,065,000</i>	<i>\$110,137,000</i>
<i>Learning Supports</i>			
Afterschool Education and Safety Program	\$546,898,000	\$546,898,000	
21 <sup>st</sup> Century Community Learning Centers	\$129,371,000	\$169,371,000	
Cal-SAFE Child Care	\$24,783,000	\$24,778,000	
Pregnant Minor Programs <sup>3</sup>	\$13,330,000	\$13,327,000	
<i>Learning Supports Total</i>	<i>\$714,382,000</i>	<i>\$754,374,000</i>	
<b>Child Care and Development and Learning Supports Grand Total</b>	<b>\$3,191,038,000</b>	<b>\$3,133,439,000</b>	

Some highlights:

- **State Preschool Programs**

Funding for State Preschool Programs has been reduced by nearly \$56,000,000. The Budget reappropriates \$65,535,000 of unexpended preschool, child care, and CalWORKs Stage 2 and Stage 3 child care from previous years to the State Preschool budget for 2009-10.<sup>4</sup> Of the \$373,378,000 appropriated to State Preschool, \$50,000,000 is available for the prekindergarten and family literacy preschool programs. Five million dollars of the State Preschool allocation is available for the provision of wraparound care for children enrolled in state preschool programs. The Superintendent is to assign priority for these funds to children enrolled in the prekindergarten and family literacy preschool programs.<sup>5</sup>

- **CalWORKs Stage 2 and Stage 3 Child Care**

CalWORKs Stage 2 and Stage 3 Child Care are fully funded based on estimated caseloads.

- **Extended Day Care/Latchkey**

One of the more significant consequences of the budget negotiations to child care and development is the elimination of the Extended Day/Latchkey program. The Budget reflects the outcome of negotiations to eliminate this Program. The program has been allocated \$5 million to provide services until August 31, 2009. It is the intent of Legislature that any child who may be displaced as a result of this program's becoming inoperative be provided services under the state's subsidized child care, After School Education and Safety Program, or both.<sup>6</sup>

- **Quality Improvements**

Table 2 summarizes the Budget appropriations reserved to improve the quality and availability of child care and development services.<sup>7</sup>

<b>Table 2. Quality Improvement Detail</b>		
<b>Program</b>	<b>2009-10</b>	<b>2009-10 (Revisions)</b>
Schoolage Care and Resource and Referral	\$1,964,262	\$1,930,629
Infant and Toddler Earmark	\$11,062,664	\$10,873,244
Quality expenditures to be defined*	\$2,969,000	\$2,969,000
CalWORKs Careers in Child Development	\$4,000,000	\$4,000,000
Training for license-exempt providers**		\$2,500,000
DSS contract for licensing inspections**	\$2,700,000	\$8,000,000
Trustline Registration Workload**	\$1,000,000	\$1,000,000
Health and Safety Training	\$500,000	\$500,000
Health Hotline	\$300,000	\$300,000
Facilities Technical Assistance Program**	\$300,000	\$300,000
Child Care Recruitment and Retention Programs	\$15,000,000	\$15,000,000
Child Development Training Consortium	\$320,000	\$320,000

\* One-time federal funding available for 2009-10. Remaining funds are to be used for child care and development quality expenditures as identified by the CDE, with approval of the Department of Finance.

\*\* Of the amounts specified, first priority would go to fully funding Trustline registration workload as determined by the DSS with CDE.

## American Recovery and Reinvestment Act (ARRA) - Child Care and Development

The Budget reflects the Conference Committee's proposal for distributing the first year of funding under the ARRA for child care and development services. The ARRA funds augment the 2009-10 Budget for General Child Care, Migrant Child Care, Alternative Payment and CalWORKs Stage 1 and Stage 2 Child Care by \$91.3 million. Of the \$18.7 million in funds appropriated for quality improvement, nearly \$5.3 million is for activities to improve the quality of infant and toddler care and \$1.75 million is for the improvement of the quality of care for children from birth to five years old as identified by CDE and approved by the Department of Finance. Table 1 outlines the allocation of the \$110 million. The CDE is to ensure that provider contracts include provisions advising families receiving services through ARRA funds in General Child Care, Migrant Day Care, and Alternative Payment programs that they will cease to receive services when funds are exhausted unless they can be accommodated through attrition in capped programs funded with Proposition 98 General Fund, federal base Child Care and Development Block Grant funds, or both.<sup>8</sup>

## CalWORKs Child Care Stage 1

The Budget extends the exemption from welfare-to-work activities as a condition of eligibility for CalWORKs cash aid to parents or other relative caregivers with primary responsibility for providing care to one child who is from 12 to 23 months old or two or more children under six years old. However, parents of young children may volunteer to participate in work activities; parents volunteering to participate in work activities are eligible for child care services. The 60-month time limit to receive cash aid does not apply while the recipients are exempt. This provision exempting parents of young children from welfare-to-work activities remains in effect until July 1, 2011.<sup>9</sup>

## Regional Market Rate (RMR)

The Budget maintains reimbursement for child care services paid through the Alternative Payment or voucher programs at the 85<sup>th</sup> percentile of the rates charged by providers offering the same type of child care for the same age children in that region based on the 2005 RMR survey.<sup>10</sup>

## Family Fees

The family fee schedule that was in effect for 2007-08 and 2008-09 will be retained for 2009-10.<sup>11</sup> Families receiving CalWORKs cash aid are exempt from paying fees.<sup>12</sup>

## Community Care Licensing

The Budget increases by ten percent the application fee for initial licensure and renewal of a license to operate family child care homes and child care and development centers. Fees are as follow:

Facility Type	Capacity	Initial Application	Annual Fee
<i>Family Child Care Home</i>	1-8	\$66	\$66
	9-14	\$127	\$127
<i>Child Care and Development Center</i>	1-30	\$440	\$220
	31-60	\$880	\$440
	61-75	\$1,100	\$550
	76-90	\$1,320	\$660
	91-120	\$1,760	\$880
	121+	\$2,200	\$1,100

## **For More Information on 2009-10 Budget Bills: Impact on Children and Families**

A number of advocacy organizations have developed overviews and analyses of the 2009-10 Budget as it impacts health and human services for children and families, including child care and development and services for children at risk for developmental disabilities as follows:

California Budget Project

[www.cbp.org](http://www.cbp.org)

Child Care Law Center

[www.childcarelaw.org](http://www.childcarelaw.org)

Infant Development Association of California

[www.idaofcal.org](http://www.idaofcal.org)

Western Center on Law and Poverty

[www.wclp.org](http://www.wclp.org)

### *Endnotes:*

<sup>1</sup> SBX3 1: 2009-10 Budget; Chapter 1, Approved: February 20, 2009.

<sup>2</sup> ABX4 1: Budget Act of 2009: Revisions; Chapter 1, Approved: July 28, 2009.

<sup>3</sup> Funds are available for child care as well as academic and supportive services.

<sup>4</sup> ABX4 1, Sec. 460; 6110-488.

<sup>5</sup> ABX4 1, Sec. 439; 6110-196-0001, provision (2).

<sup>6</sup> ABX4 1, Sec. 439; 6110-196-001, provision (14).

<sup>7</sup> ABX4 1, Sec. 439; 6110-196-001, provisions (3 and 4).

<sup>8</sup> ABX4 1, Sec 443; 6110-198-0890.

<sup>9</sup> ABX4 4, Sec. 14; 11320.3(7).

<sup>10</sup> ABX4 1, Sec. 439; 6110-196-001, provision (1(b)).

<sup>11</sup> ABX4 1, Sec. 439; 6110-196-001, provision 8.

<sup>12</sup> ABX4 2, Sec. 7; Education Code 8447(g).