



# Governor's Budget- General Fund Proposal Highlights

2010-11 (1-21-10)

## Child Care and Child Care Related Issues

Proposals	Comments
<b>I. Child Care</b>	
a. COLA decrease for child development programs	A decrease of (-.38%) in COLA for child development programs. \$5.9 million .
b. Regional Market Rate (RMR)*	Effective July 1, 2010 reduce RMR from 85 <sup>th</sup> percentile to 75 <sup>th</sup> percentile of 2005 RMR survey (decrease \$77.1 million) Reduce the reimbursement rate for license-exempt providers from 90% of the ceiling for licensed family child care to 70%. (APP- \$12 million, Stage 1 - \$54 million, Stage 2 - \$37 million and Stage 3 - \$28.1 million)
c. Stage 2 & Stage 3	See CalWORKs- Additionally a \$122.9 million decrease to Stage 3 child care. Noting that Stage 3 is not an entitlement. Exploring reform proposals to be addressed in coming months to serve the neediest of families (CalWORKs and Non CalWORKs families alike)
d. General Child Care & Preschool	Backfill one-time funds for preschool- an increase of \$65.5 million to backfill of one-time funds used in the current year.
e. Extended Day/Latchkey Program	Decrease of \$5 million in one-time funding appropriated for the phase out of the program in 2009-10
<b>II. First 5 California &amp; Local Commission</b>	
a. Redirect funding for five years to support children in programs administered by DSS and Developmental Services.	Redirect \$550 million of Commission funding to high-priority state programs serving children. (50% of revenues for state and local commissions - \$242 million ongoing and a one-time sweep of state and local reserves- \$308 million). Requires voter approval- June 2010 ballot initiative.
<b>III. CalWORK's</b>	
a. Reduce CalWORKs grant	15.7% reduction in cash grants- effective June 2010- Also notes proposed elimination of the CalWORKs program in the event that anticipated federal revenues are not received.
b. Eliminate Recent non-citizen entrants program	It appears that this eliminates all eligibility for CalWORKs for legal immigrants

Compiled by the California Child Care R&R Network 1-21-10 contact Donita Stromgren at [donita@cal.net](mailto:donita@cal.net) or at (530) 750-1127 for more information

c. Eliminate Safety Net (Passed in 2009-10 budget and become effective at the end of the Federal ARRA funding)	<ul style="list-style-type: none"> <li>1- Restructure time limits- no aid for 12 months for adults in families that have received aid for 48 months in a 60 month time period</li> <li>2- All non-exempt recipients no meeting work requirements must meet fact-to-face 2 x's a year</li> <li>3- Strengthen sanctions for adults who don't comply with program requirements and progressively decrease family's monthly grant amount.</li> </ul>
d. Child Care Adjustment	In addition to a recommended decrease in provider reimbursement (see child care section) decrease of \$12.4(FY09-10) and \$13.8 (FY10-11) million for estimated Stage 2 & Stage 3 child care caseload
<b>IV. Other Related Services</b>	<b>Comments</b>
a. Healthy Families	Effective May 1, 2010- reduce program eligibility from 250 – 200% of federal poverty level. Effective July 1, 2010-eliminate vision coverage and increase monthly premiums paid by families with income above 150% of federal poverty. Eliminate the Healthy Families Program- \$126 million – In the event that anticipated federal revenues are not received.
b. Cash Assistance Program for Immigrants (CAPI) and California Food Assistance Program (CFAP)	These programs replaced food stamps and SSI for legal immigrants when they were eliminated by federal welfare reform in '96.

**There appears to be no funding for Growth for either K-12 or child development. Currently we are not aware of any proposals related to child care subsidy eligibility (State Median Income level) or family fee changes/increases. We also are not aware of any cuts to Community Care Licensing. This information, however, is preliminary and we will learn more as the details of the budget become available and are more clear.**

The Governor called a special session of the Legislature on January 8, 2010 and proposes \$1.192 Billion in reductions in 2009-10 and \$18.688 reductions in 2010-11.

\*It appears that the reimbursement rate for child care providers will be addressed in the special legislative session with a potential implementation date of July 2010.

For complete budget summary information go to: [www.dof.ca.gov](http://www.dof.ca.gov) and click on California 2010-11 Budget