



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 Legislature
Child Care and Development

California State Budget 2009-10¹

Very Brief History: Budget Act of 2008 Amendments and 2009-10 Budget

On February 20, 2009, Governor Schwarzenegger approved 34 bills, most of which were intended to tackle the State's budget deficit. A number of budget bills amended various sections of the Budget Act of 2008 and included \$97.3 million in reductions to child care and development services. At the same time, the Governor signed the 2009-10 Budget Bill, which allocated small increases to child care and development services, including growth adjustments. Additionally, the Governor signed six proposed ballot initiatives for the special election held on May 19, 2009. Two bills of interest to the child care and development community were Propositions 1D and 1E. If passed, the bills would have respectively redirected funds from the First 5 Commissions to health and human services (1D) and from the Mental Health Services Act (MHSA) to Managed Mental Health. Both bills were defeated. On another matter, trailer bill language gave school districts flexibility in the use of funds from its lowest tiered programs. Cal-SAFE (California School Age Family Education), a program that helps pregnant and parenting teens succeed in school while providing child care and development services, is among the programs in the lower tier, thus at risk of its funding being allocated for other purposes.

Revised 2009-10 Budget

On July 29, 2009, the Governor approved the revised 2009-10 Budget Bill and 19 implementation bills. Prior to signing the bills, he vetoed \$489 million in General Fund appropriations. The Budget package and the Governor's vetoes make significant cuts to safety net programs that serve the most vulnerable populations – poor children and their families, children at risk of developmental delays, teen parents, disabled adults, and the elderly – and to education. The revised 2009-10 Budget Bill:

- Allocates nearly \$2.4 million to California Department of Education (CDE) child care and development programs, including funding for State Preschool, General Child Development, Alternative Payment (AP), CalWORKs Child Care, Resource and Referral, Quality Improvement, Centralized Eligibility Lists, and Local Planning Councils.
- Uses American Recovery and Reinvestment Act (ARRA) funds to augment the CDE child care and development programs – General Child Development, Migrant Child Care, AP, CalWORKs Stage 2 and Stage 3 Child Care, and Quality Improvement – by an additional \$110 million. Of the approximately \$18.7 million appropriated to 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.
- Reduces funding for State Preschool by nearly \$56 million. Of the funds allocated to State Preschool, \$50 million is made available to the Prekindergarten and Family Literacy (PKFL) Programs. Additionally, allocates \$5 million in State Preschool funds to wraparound care with the Superintendent of Public Instruction having the discretion to assign priority for the funds to children enrolled in PKFL Programs.
- Eliminates the Extended Day/Latchkey program. The Budget allocated \$5 million to provide services to August 31, 2009 to facilitate transition of children enrolled in the Latchkey programs to state subsidized child care and development programs or After School Education and Safety (ASES) Programs.

¹ Sources include AB/SB 4: Education Finance (amends Budget Act of 2008), AB/SB 1: 2009-10 Budget; California State Budget 2009-10 enacted budget bills SBX3 1, ABX4 1, ABX4 2, and ABX4 4.

Revised 2009-10 Budget (continued)

- Rescinds the growth adjustment for child care and development services and sustains the no Cost of Living Adjustment (COLA).
- Funds CalWORKs Stage 2 and Stage 3 Child Care based on caseload projections.
- Extends the exemption from welfare-to-work activities as a condition of eligibility for CalWORKs cash aid to parents with one child under 24 months or parents with two or more children under six years old. Parents of young children may volunteer to participate in welfare-to-work; parents choosing to participate are eligible for child care services. The 60-month time limit to receive cash aid does not apply while recipients are exempt. This provision remains in effect until July 1, 2011.
- Maintains reimbursement for child care and development services paid through the AP Program at the 85th 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 Regional Market Rate (RMR) survey. The 2009-10 Budget signed in February included language that would have adjusted the reimbursement rate to the 75th percentile based on the 2007 RMR survey.
- Retains the family fee schedule that was in effect for 2007-08 and 2008-09. Families receiving CalWORKs cash aid are exempt from paying fees. The 2009-10 Budget signed in February included language that would have required the California Department of Social Services (CDSS) and CDE to revise the family fee schedule, including an increase in the family fee amount and the lowering of the income levels at which families begin paying fees.
- Increases by ten percent the application fee for initial licensure and renewal of a license to operate a family child care home or child care and development center.
- Continues funding the ASES Program at \$546.8 million; funding for the 21st Century Community Learning Centers increases by \$40 million to \$169 million.
- Amends a number of provisions relating to early intervention services for children at risk for or with developmental disabilities: 1) requires families to use their private insurance or health care service plan for medical services identified in their child's Individual Family Service Plan (IFSP), other than for evaluation and assessment; 2) redefines developmental delay eligibility criteria for Early Start resulting in denying services to certain infants and toddlers considered "at risk" who were eligible for services prior to the change; 3) establishes a Prevention Program for "at risk" babies under 36 months old who are not eligible for California Early Intervention to provide intake, assessment, case management, and referral to generic agencies; and 4) requires using group training for parents for behavioral intervention techniques in lieu of some or all of in-home parent training component and purchasing neighborhood preschool services and needed qualified personnel, in lieu of infant development programs.
- Eliminates State General Funds appropriated to the Adolescent Family Life Programs (AFLPs), which provide case management services to pregnant and parenting teens including facilitating their access to child care and development services. This budget item was a victim of the Governor's line item veto. Consequently, the State match requirement for certain Federal funds is not met, therefore reducing significantly funding for the AFLPs.

California State Legislature – First Year, 2009-10²

| Licensing | | |
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| AB 1368 (Adams) | Amends Public Health and Safety Code by requiring licensed small family child care homes (as well as large family child care homes and centers) to ensure that at least one staff member trained in first aid and CPR is present with the children in care at all times. | Chapter 528 Signed by Governor: 10/11/09 |
| SB 702 (DeSaulnier) | Beginning 1/1/2011, defines an ancillary day care center and require trustline registration of employees of ancillary child care centers, including athletic clubs, grocery stores, malls, shops, businesses, or groups of businesses for children of clients or customers of the business. Would require charging a fee of each trustline applicant who provides care in an ancillary center. | Chapter 199 Signed by Governor: 10/11/09 |
| Child Care and Development Subsidy System: Priority Setting | | |
| AB 769 (Torres) | Would state findings and declarations regarding children of youth in custody, on probation, or in foster care system. Would require priority for participating in state preschool programs be given to children with a biological parent who is, or has been within previous 6 months, a dependent or ward of the juvenile court. Would prohibit priority enrollment from being used to displace children currently receiving care. | Vetoed: 10/12/09 Veto message, in part: "...results in significant Proposition 98 General Fund costs pressures. Absent additional funding to support this policy shift, enacting this measure would result in denying access to state funded preschool programs to other low income families who are currently on waiting lists for subsidized care. Moreover, children of those under the jurisdiction of the juvenile court system already may access child care on a priority basis under current law, to the extent that they are at risk of abuse or neglect." |
| Data | | |
| SB 19 (Simitian) | Amends existing law to authorize using data for the purposes of teacher evaluations. It also authorizes implementation of plans relating to education data be implemented using federal funds. Requires local education agencies to retain data elements to comply with the federal American Recovery and Reinvestment Act of 2009. Child care and development provisions deleted in amendments. | Chapter 159 Signed by Governor: 10/11/09 |
| Miscellaneous | | |
| AB 627 (Brownley) | Would require Superintendent of Public Instruction (SPI) to establish pilot program for at least 12 months in which selected licensed child care centers and family child care homes that participate in the federal Child Care and Adult Food Program implement certain nutrition and physical standards in exchange for higher state meal reimbursement. Would be implemented only if SPI determines non-General Fund funding source available. | Vetoed: 10/12/09 Veto message, in part: "Unfortunately, this bill would create pressure to add Proposition 98 General Fund resources to the Child and Adult Care Food program when funding for so many other education programs has been cut. It is simply not possible to initiate a new program in a fiscal environment such as this." |
| Federal Legislature – 111th Congress | | |

² To obtain additional information about any legislation, go to www.leginfo.ca.gov/bilinfo.htm.

American Recovery and Reinvestment Act

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| H.R. 1 (Obey) | "American Recovery and Reinvestment Act of 2009" would make supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to unemployed, and State and local fiscal stabilization, for the fiscal year ending September 30, 2009. Provisions for early care and education include investments to the following programs: Head Start/Early Head Start; Child Care and Development Block Grant (CCDBG); IDEA infant/toddler program (Part C); and Title I. Investments would supplement State general funds for child care and development services for low-income families. | Signed by President: 2/17/09 |
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