



CHILD CARE LAW CENTER

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CCLC Response to the 2007-08 Governor's May Budget Revision

(Based on information available on the Department of Finance website as of 5-14-07)

- 1. Oppose Cuts to CalWORKs and Continue Safety Net Aid to Children**
- 2. Provide a Cost-of-Living Adjustment for CalWORKs Recipients**
- 3. Update Annually the Child Care Income Eligibility Levels and Family Fee Schedule**
- 4. Ensure Full Funding for CalWORKs Stage 3 Child Care**
- 5. Increase Funding for Community Care Licensing to Support Annual Visits to Facilities**
- 6. Improve the Public Input Process for the CCDF State Plan**
- 7. Oppose Cuts to Regional Center Funding**
- 8. Target \$50 Million in New Funding for Early Care and Education to Programs in Greatest Need**

Background

Despite eloquent testimony from mothers on CalWORKS, local program managers and advocates for low income children, the Governor's revised budget continues to propose unconscionable cuts to the safety net for children in the CalWORKs program, cuts that are certain to lead to significant human and program costs in coming years. For the 13th time in the last 19 years, the Governor's budget fails to provide a cost-of-living adjustment for low income families on the CalWORKS program, leaving families struggling to pay the increased costs of basic necessities.

The May Revision recommends no dramatic cuts in subsidized child care eligibility or quality and provides an increased cost-of-living adjustment for child development programs. The Revision retains the small increase in funding for Community Care Licensing although it does not address the need for increased investment in Licensing to support annual visits to facilities. The May Revision proposes \$50 million in increased investment and programmatic changes in the PreKindergarten Family Literacy Program (PKFL) without analyzing whether this new funding could be better targeted to programs for the more than 234,000 eligible children waiting for subsidized care, for increased reimbursement rates for our highest quality centers, for ongoing training on inclusion of children with disabilities in child care, or to raise family income eligibility levels and reduce family fees.

1. Oppose Cuts to CalWORKs and Continue Safety Net Aid to Children

Children need a roof over their heads, access to health care, nutritious food and other necessities to be able to grow and learn. The Governor's proposed changes to the CalWORKs program will have a profoundly negative effect on the well-being of a significant number of low income children and families.

Currently, the CalWORKs program penalizes adults who fail to comply with work requirements while protecting children from a life of abject poverty by continuing to provide child-only benefits. The Governor's CalWORKs proposals abandon children whose parents are unable or unwilling to work at the level necessary to be counted in the federal Work Participation Rate.

- The Governor's proposal to implement "full family sanctions" will completely cut off all assistance to children and their parents if the parent fails to comply with program requirements after 90 days.
- Similarly, children in families that have used their 60-month lifetime limit of assistance will be cut off from all aid unless their parents work a sufficient number of hours to be counted in the WPR.
- Children also receive "child-only" benefits when the parent is an undocumented non-citizen, a drug felon or a fleeing felon. These adults have no way to "cure" the penalty imposed on their families. Under the Governor's proposal, all of these children will lose both cash assistance and their connection to state-supported health care benefits.

2. Provide a Cost-of-Living Adjustment for CalWORKs Recipients

We oppose the suspension of the 2007 CalWORKs Cost-of-Living Adjustment (COLA) for the 3rd straight year and the 13th time in the last 19 years.

3. Update Annually the Child Care Income Eligibility Levels and Family Fee Schedule

CCLC calls for an annual update of the child care income eligibility levels (SMI) and the family fee schedule. CCLC opposes any further increase in family fees for low income families and urges the state to review the impact of last year's fee increases.

4. Ensure Full Funding for CalWORKs Stage 3 Child Care

CCLC recommends language confirming the Legislature's intent to fully fund CalWORKs Stage 3 in anticipation of any budget shortfall that may lead to pressure to reduce funding for this program. Language expressing this intent was included in the current year Trailer Bill.

5. Increase Funding for Community Care Licensing to Support Annual Visits to Facilities

The January Budget proposal included an additional \$4.3 million for 58.5 new CCL staff positions to increase the number of random visits of licensed child care providers from 20 percent to 30 percent annually. The Budget also included \$1.7 million for improved technology for licensing staff, and \$0.6 million for CCL staff to conduct visits to facilities ordered to close or to exclude certain individuals to ensure these critical actions have been taken.

CCLC supports these proposals as part of an ongoing effort to strengthen monitoring of child care facilities, as well as the actions of the Senate and Assembly to develop an alternate proposal for increasing licensing inspections. CCLC recommends moving toward annual visits to every child care facility, and strongly opposes any modification to the Licensing visit "trigger" that would lead to a reduction in the number of facilities that receive random visits. CCLC also recommends additional investment to expand the Licensing Advocate program to improve provider compliance, and a public input process to develop and implement a plan to increase families' access to Licensing information.

6. Improve the Public Input Process for the CCDF State Plan

CCLC supports methods to facilitate a comprehensive planning process for the CCDF State Plan in future years, with increased opportunity for public input and increased Legislative oversight.

7. Oppose Cuts to Regional Center Funding

CCLC is very concerned by the proposed reduction in funding for the Regional Centers. With the autism epidemic and increased screening and identification of young children with disabilities, a

decline in Regional Center caseloads is surprising. We urge the Legislature to require a report that reviews eligibility changes implemented in previous years and analyzes barriers to access before allowing funding cuts to be made.

8. Target \$50 Million in New Funding for Early Care and Education to Programs in Greatest Need

We share the Governor's goal of increasing family literacy and access to early care and education, in our lowest income neighborhoods. However, we do not believe that further expansion of part-day part-year state prekindergarten and family literacy programs focused on four year olds is necessarily the best investment for families and children in low income communities. While there are many high quality state preschool programs, with the limited resources available for low income families we believe the additional \$50 million the Governor has earmarked for the PreKindergarten Family Literacy (PKFL) program can be more prudently spent.

- There is a critical need for expansion of infant and toddler care in California. According to the 2005 Child Care Portfolio published by California's Resource and Referral Network, 64% of licensed slots are in centers, but only 6% of center slots are available to children under age two, and 35% of the R&R requests are for infant and toddler care. In San Francisco alone, infants and toddlers account for more than 45% of all the children waiting on the Centralized Eligibility List.
- Many working families cannot take advantage of a part-day part-year preschool program. More than 80% of families with children birth to age five who contact child care resource and referral agencies indicate they need full time care. According to CDE's November 2006 report on implementation of the Centralized Eligibility Lists, only 3.5% of children on CELs statewide need a part-day educational preschool program; preschool programs that don't offer a full-day option are often under-enrolled.
- The PKFL program need has not been established. The first year contracts are projected to begin in September and there will be significant unspent funds in the current year. The new funding proposed by the Governor could be better targeted to programs for the more than 234,000 eligible children waiting for subsidized care, for increased reimbursement rates for our highest quality centers, for ongoing training on inclusion of children with disabilities in child care, or to raise family income eligibility levels and reduce family fees.

CCLC recommends that the \$5 million allocated to fund child care that wraps around the new preschool and family literacy program should be made permanent, and agrees with the LAO recommendation to use the funds flexibly for all state preschool programs. We also believe that CDE should be instructed to make these wrap-around funds more accessible by allowing programs to apply directly rather than awarding these funds by lottery. CCLC also supports the May Revise proposal to extend the \$2500 per classroom PKFL earmark to all state subsidized preschool programs.