



Governor's January Budget Proposal Highlights 2007-08 (REVISED 5-28-07) Child Care and Child Care Related Issues

January Budget Proposal	May Budget Revision Changes	Network Position	Legislative Action
I. Child Care			
a. COLA of 4.04% for child development programs (state contracts-not federal)	COLA increase to 4.53% at a cost of \$69.5 million for child care programs (consistent with the K-12 COLA)	Support child development COLA consistent with K-12 COLA	Included in Budget that goes to the Governor at the 4.53% level.
b. Growth funding of .97% \$15.32 million for all child development programs except R&R and LPC	No Change	Support Growth for Child Development programs- silent on Growth for R&R /LPC	Included in Budget that goes to the Governor
c. SMI eligibility levels to remain the same as 2006-2007	DOF letter states the Governor's intent to maintain the current SMI for 2007-08 and it will be re-evaluated based upon the most recent SMI for 2009-10 and every three years thereafter.	Oppose the "freezing" of the SMI and Oppose updating every three years. The SMI should be updated annually (cost \$1 - \$2.4 million for Stages 1,2 & 3)	Legislature rejected the Governor's proposal to freeze the SMI. An SMI update will be included in the budget that goes to the Governor, however, he can blue pencil this item.

January Budget Proposal	May Budget Revision Changes	Network Position	Legislative Action
d. Use of Proposition 98 funds to fully fund Stage 2 Child Care \$268.9 million in Proposition 98 funds in lieu of federal TANF funds to fully fund Stage 2 child care.- One time only	Unclear if there is a change to this- appears none Also reallocates \$17.7 million from the child care revolving loan fund to Stage 2 & Stage 3 Child Care (DOF Letter)	Support continued funding of Stage 2 and all existing child development services. Request TBL to address barriers to use of child care revolving loan fund \$	Included in Budget that goes to the Governor (Both transfers) Language to remove barriers to use of child care revolving loan fund \$ will need to be addressed in the future.
e. Use of Proposition 98 Reversion Account for CalWORKs child Care Uses \$25.7 million for CalWORK's child care (non-stage specific)- One time only	No Change	Support continued funding of all existing child development services.	Included in Budget that goes to the Governor
f. "Wrap-around" funding for child care to complement preschool programs Sets aside another \$5 million in budget year 2007-08 to provide "wrap-around" child care services to complement ongoing preschool funding	Up to \$5 million of any remaining unallocated funds from the PKFL may be utilized to provide wrap-around care for all state preschools w/priority to PKFL (DOF letter)	Continue to support funding for full day/full year services for preschool programs and increase the funding for all part day state preschool programs. Streamline the application process to increase programs access of these "wrap-around" funds. (see below)	Included in Budget that goes to the Governor- Maintains the ongoing "wrap around" funding and allows it to be used for all state preschool programs.

January Budget Proposal	May Budget Revision Changes	Network Position	Legislative Action
II. Preschool			
a. Provides ongoing funding for expanded programs per AB172(Chan)- no additional expansion	Provides an additional \$50 million in ongoing Prop. 98 funding for the second phase of a 3-year initiative to expand preschool for 4 year olds in school attendance areas ranked in the lowest three deciles of the 2005 API.	Continue to promote the Network's approved Preschool Principles and note that the commitment to expand preschool must include: <ul style="list-style-type: none"> • an adequate SRR for all existing state preschool programs. • realistic assessment of the need for full day/full year services • realistic assessment of the barriers to providing wrap-around services • realistic assessment of how much \$ will be expending in 2007-08 so balance of funds can be used for other purposes. 	<p>Conference Committee Item:</p> <p>The Senate rejected the expansion of funding of preschool by \$50 million.</p> <p>The Assembly included \$20 million of one-time only funding to be used to develop preschool infrastructure in various ways.</p> <p>Both Houses maintained the ongoing \$50 million included in last year's budget and in AB172 (Chan)</p>
b. PKFL - \$2,500 per classroom for literacy- not per class	Maintains \$5 million for \$2,500 per classroom, but expands it to all state subsidized preschool programs with PKFL priority	Network supports AB1080 (Mullin) that among other clean-up language clarifies that the funding of \$2,500 is per class not per classroom.	Included in Budget that goes to the Governor

January Budget Proposal	May Budget Revision Changes	Network Position	Legislative Action
III. Community Care Licensing			
<p>a. Increase random sample visits from 20% to 30% annually at a cost of \$4.9 million and 65.5 positions.</p> <p>The administration also proposes to modify the “trigger” requirement for increasing the random sample based upon growth in citations</p>	<p>April Finance letter states that caseload is lower therefore cost to achieve 30% random visits is \$2.5 million.</p>	<p>Maintain funding from January Budget proposal and work toward annual visits in all community care facilities.</p> <p>Oppose any modification of the “trigger” language</p>	<p>Conference Committee Item: Senate accepted the April Finance Letter request to cut the funding for increased visits to the \$2.5 million level while maintaining the 30% random visit.</p> <p>Assembly maintained funding of \$4.9 million with the intent to increase visits beyond the 30% level with available funding.</p> <p>Both the Senate and Assembly approved suspending the “trigger” language for one year and required DSS to come up with alternate trigger indicators to use for determining increased visits by Feb. 2008. This will not be a conference item.</p>
<p>b. Implement a Licensing Reform Automation Project \$1.7 million (\$1.5 million General Fund) Provides automated tools to enable licensing staff to conduct more follow-up visits and better focus on the health and safety of clients.</p>	<p>No Change</p>	<p>Support funding for increased automation to increase program efficiencies</p>	<p>Both the Senate and Assembly approved the funding contingent on DSS notifying the Legislature on how they will display information on their website related to any adverse administrative actions pending against a provider’s license.</p>

January Budget Proposal	May Budget Revision Changes	Network Position	Legislative Action
c. Follow-up visits when a Temporary Suspension Order, Revocation or Exclusion Order is served. \$0.6 million (\$0.5 million General Fund) and 6.5 positions for follow-up visit to ensure that the facility is in compliance with the licensing order.	No Change	Support funding for follow-up visits	Included in Budget that goes to the Governor
d. AB633(Benoit) Parent Notification \$46,000 -Funding for new requirement to verify parent notification of licensing violations & program directors have completed an orientation offered by DSS.	No Change	Support funding for new statutory requirements	Included in Budget that goes to the Governor
IV. CalWORK's			
a. Elimination of cash assistance to families Full Family Sanctions- In families with an adult who does not comply with CalWORK's requirements for more than 90 days a "full family" sanction is imposed resulting in elimination of all cash	No Change	Oppose	Rejected by Legislature

awards even that amount for children. Likely includes loss of health coverage as well Eliminate the safety net eliminate the cash award for children when a parent “times-out” of the CalWORK’s program after 60 cumulative months of assistance including US citizen children of undocumented immigrants			
b. Freeze CalWORK’s cash grants (3 rd year in a row)	No Change	Oppose	Rejected by Legislature

For complete budget summary information go to: www.dof.ca.gov and click on California 2007-08 Budget