



# Governor's January Budget Proposal Highlights (preliminary)

## 2007-08

### Child Care and Child Care Related Issues

January Budget Proposal	Comments
<b>I. Child Care</b>	
a. COLA of 4.04% for child development programs	\$62.1 million for child care programs consistent with the K-12 COLA
b. Growth funding of .097%	\$15.32 million for all child development programs <b>except R&amp;R and LPC</b>
c. Use of Proposition 98 funds to fully fund Stage 2 Child Care	Use \$268.9 million in Proposition 98 funds in lieu of federal TANF funds to fully fund Stage 2 child care.- One time only
d. Use of Proposition 98 Reversion Account for CalWORKs child Care	Use \$25.7 million for CalWORK's child care (non-stage specific)- One time only
e. "Wrap-around" funding for child care to complement preschool programs	\$5 million set aside again budget year 2007-08 to provide "wrap-around" child care services to complement ongoing preschool funding
<b>II. Preschool</b>	
a. Ongoing funding for expanded programs per AB172(Chan)	\$50 million was placed in the budget for the ongoing funding of preschool programs funded in 2006-07 through AB172(Chan)- no preschool expansion funding was included in the budget proposal
b. Child Care "wrap-around" funding	<b>See child care section</b>

*Compiled by the California Child Care R&R Network 1-10-07 contact Donita Stromgren at [donita@davis.com](mailto:donita@davis.com) or at (530) 750-1127 for more information*

<b>III. Community Care Licensing</b>	
a. Increase random sample visits from 20% to 30% annually	\$4.3 million (\$4.1 million General Fund) and 58.5 positions. The administration also proposes to modify the “trigger” requirement for increasing the random sample based upon growth in citations to account for increases in visits. Ongoing
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.
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. ongoing
d. AB633(Benoit) Parent Notification	\$46,000 -Funding to fulfill new requirement to verify documentation of parent notification of licensing violations and that program directors have completed an orientation offered by DSS.
<b>IV. CalWORK’s</b>	
a. Single county allocation cut	Eliminates \$16 million of one-time reduction that can be used at the county level for employment services, child care and administration. (Child care is an entitlement so if the need exists, it will be funded and does not result in a cut to child care)
b. 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 meaning elimination of all cash awards even that amount for children. Likely includes loss of health coverage as well
	Eliminate the safety net for children by eliminating the cash award for children when a parent “times-out” of the CalWORK’s program after 60 cumulative months of assistance.
	Terminates cash assistance for children after 60 months if parents are ineligible including US citizen children of undocumented immigrants
c. Freeze CalWORK’s cash grants	Proposes to freeze CalWORK’s grants again. (3 <sup>rd</sup> year in a row)

For complete budget summary information go to: [www.dof.ca.gov](http://www.dof.ca.gov) and click on California 2007-08 Budget

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