



Analysis of Final 2012-2013 State Budget Impact On Alameda County Child Care Programs
July 13, 2012

Budget Action	State Savings	State Impact	County Impact
Across the board cuts for center-based child care for infants, toddlers, school age children and a special contract type that serves children with special needs	\$ 80 million	10,600 slots	= \$1,772,510 total cut = 174 slots lost CCTR cut=10.94% CHAN cut=10.37%
Large line-item veto for the non-CalWORKS Alternative Payment program. A smaller cut to Stage 2 CalWORKs child care and a small increase for Stage 3 CalWORKs.	\$ 20 million Line-item veto	3,400 slots	= \$2,276,508 total cut = 202 slots lost CAPP cut=19.65% C2AP cut=5.24% C3AP increase=1.69%
Line-item veto to "core" state preschool funding (includes \$3.4 million generated in parent fees that state preschool will now have to collect)	\$ 29,720,000 million Line-item veto	12,500 slots	= \$4,914,966 total cut = 567 slots lost CSPP cut=10.43%
No COLA for fiscal years 12-13,13-14 and 14-15 \$30.4 million savings (eg not "cut") this budget year, total estimated savings through 14-15 is \$73 million	Not counted as a cut for Governor's purposes	n/a	
Eliminate supplemental reimbursement for Child Nutrition program (blue pencil)	\$ 10.1 million Line-item veto	This impacts non-profit child care programs	Local impact unclear
TOTAL LOSSES	\$130 million (\$140 million including nutrition veto)	26,500 slots	Total Funding Lost: Approximately \$8,963,914* Total Slots Lost: Approximately 943
Current Total Funds			\$117,688,001
Current Total Slots			10,175
New Totals			\$67,496,540 9,232

Additional Program Changes:

State Preschool Changes:

- Aligns ages served in State Preschool programs with new Transitional Kindergarten entry age.
- Clarifies difference between part day preschool and wrap around care, and moves all funding for “core” State Preschool into Prop. 98 and all wraparound funding for State Preschool remains outside Prop. 98.
- Assesses family fees to families on state preschool programs using the same fee structure as that used by non-prop. 98 child care subsidy programs.
- Repeals components of the Prekindergarten and Family Literacy Program and includes literacy component for all part-day preschool programs.

CalWORKs changes affecting child care:

- Stricter Time Limits: The budget institutes a 2 year time limit for parents who are not meeting federal work requirements. This policy may increase demand for Stage 2 and Stage 3 Alternative Payment programs because more parents will no longer qualify as active CalWORKs recipients. Counties are allowed some flexibility in designing their individual programs.
- Amending Exemption Policies: Existing temporary exemptions for parents with one child age 12-24 months or two children under the age of 6 years would sunset on January 1, 2013. Impacted parents would be re-engaged over a two-year period. A new, one-time exemption for parents of a child under age two would be created. The demand for CalWORKs child care may increase after the two-year re-engagement for impacted parents.

Previous proposals NOT in Budget Language:

- Eliminates any specific reference to realignment/restructuring of child development programs to the county. Does not consolidate Alternative Payment contracts, does not reduce AP or Title V rates, does not change parent eligibility income level.

*Note that cuts will not be across the board to contractors, but budget language allows the state to consider the contractor's performance or whether the contractor serves children in underserved areas when determining contract reductions. Therefore, these amounts may change once final contracts are issued.

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