Federal and State Budget and Legislative Highlights

for the Alameda County Child Care Planning Council

July 20, 2012
Overview

1. Final State Budget Resolution
2. 2012 Initiative Update
3. Federal Update
State Budget Overview

**Child Care Cuts**
$130 million cut instead of $517 million

**No**

Realignment
SRR cut to SDE contractors
AP or Title V rate reduction
Change to parent eligibility income level

**Transitional Kindergarten**
At local discretion
# State Budget Detail Overview

<table>
<thead>
<tr>
<th>Budget Action</th>
<th>State Savings</th>
<th>State Impact</th>
<th>County Impact</th>
</tr>
</thead>
</table>
| 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          | n/a |
| Eliminate supplemental reimbursement for Child Nutrition program              | $ 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**  
                      **10,175** |
| **New Totals**                                                              |                        |              | **$67,496,540**  
                      **9,232** |
State Budget Overview

Note that cuts will not be across the board to contractors, but budget language allows the state to consider:

• the contractor's performance
• whether the contractor serves children in underserved areas

Therefore, these amounts may change once final contracts are issued
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.
- Moves all funding for “core” State Preschool into Prop. 98.
- All wrap around funding for State Preschool remains outside Prop. 98.
State Preschool Changes

- Assesses family fees to families on state preschool programs using the same fee structure as other subsidy programs.
Stricter Time Limits: New 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.
7/5/12 Field Poll
- Proposition 30: Governor’s Initiative
  54% to 38% to 8%
- Proposition 38: Molly Munger’s Initiative
  46% to 46% to 8%
- Proposition 39 Steyer (business income tax)
  44% to 43% to 13%