



## **Governor's Proposed Budget Leaves California's Youngest Children Behind**

The lack of increased investment in child care and early learning in the Governor's Proposed 2015-16 Budget is concerning given the mounting evidence and broad call to action from a cross section of business and community leaders to invest in the early years. With almost one out of four children in poverty in California, and one of five women in low-wage jobs, many whom are single headed households with children, and the stark reality that once a child is born into poverty the likelihood of moving up is greatly diminished, Californians have to ask, what will happen to our state and our nation if large percentages of our children don't have a high school diploma or skills to support themselves and their families? Additional investment through the Local Control Financing Formula is a start, but children begin learning at birth.

The Governor's Proposal proposes no new investments for these earliest years. Early childhood is proven to help children become ready for school, and build the skills necessary for success throughout school and life, while also supporting the family to be self sufficient. New research shows that for families with very young children earning \$25,000 a year, boosting family income by \$3,000 can yield a 17 percent increase in earnings for these young children when they become adults. Our state leaders have the ability to set a positive course for generations to come.

During the 2008-2013 great recession over 110,000 children lost their child care subsidy, this is on top of the over 200,000 subsidy eligible children waiting for subsidized care. Low-income children and families have greatly suffered the consequences of recent budget cuts and with recent increased resources to our state we must invest in them.

With an overall revenue increase of \$4 billion above the 2014 Budget Act, Governor Brown's January 2015-16 Budget Proposal focuses instead on increasing the Rainy Day Fund and paying down debt while children continue to be caught in a cycle of poverty with no lattice to support them towards economic upward mobility. If we do not counteract the recent mass disinvestment of funds supporting children, cumulatively a whole generation of children will have been impacted by the lost opportunities. The economic projections indicate that the cost to us all will be high.

Therefore, we urge lawmakers to dedicate at least \$500 million to increase access to child care for children in low-income families, especially infants and toddlers, with adequate reimbursement rates to enable parents to choose among high quality programs that nurture their children, cognitively stimulate them and ensure that they enter school ready to learn. ####

**For more information contact:**

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**Child Care and Development and Related Items**

**JANUARY BUDGET PROPOSAL**

	Add .57% Growth Factor	Add 1.58% COLA	Continued Funding for State Preschool Expansion	Continued Funding for RMR Increase (2009 less 10.11% deficit factor)	Total 15-16 Budget Proposal
Alternative Payment	\$1,039,000	\$2,897,000	--	\$3,355,000	\$189,587,000
General Child Care	\$3,089,000	\$8,610,000	\$20,828,000	--	\$574,394,000
Migrant	\$157,000	\$437,000	--	--	\$28,107,000
State Preschool	\$3,297,000	\$9,192,000	\$15,842,000	--	\$656,781,000
Handicapped programs	\$9,000	\$24,000	--	--	\$1,568,000
Resource & Referral	--	\$295,000	--	--	\$18,982,000
Local Planning Councils	--	\$52,000	--	--	\$3,371,000
<b>TOTAL</b>	<b>\$7,591,000</b>	<b>\$21,507,000</b> (\$12.3 GF)	<b>\$36,670,000</b>	<b>\$33,500,000</b> (including CalWORKs)	

**Cost of Living Adjustment (COLA), Growth, and Continuing Funding for Current Year State Preschool Expansion & Regional Market Rate Increase**

**GOVERNOR'S 2015-2016 JANUARY BUDGET PROPOSAL**

<b>CaIWORKs</b>	
<b>Stage 1</b>	<p><b>+\$32M</b> (General fund) child care funding Increase based on caseload projections.</p> <p><b>Total base cost for Stage 1 is \$362 million</b></p>
<b>Stage 2</b>	<p><b>-\$11.6 million</b> Non-Prop 98 child care funding Based on decrease caseload and increase in cost-per-case projections.</p> <p><b>Total base cost for Stage 2 is \$348.6 million</b></p>
<b>Stage 3</b>	<p><b>+\$38.6 million</b> Non-Prop 98 child care funding Increase caseload and increase in cost-per-case projections.</p> <p><b>Total base cost for Stage 3 is \$185.8 million</b></p>
<b>Child Care and Development Funds (CCDF)</b>	<p>A net decrease of <b>\$14.9 million</b> federal funds. This reflects a reduction of available carryover funding. *Federal base funding and one-time carryover funding TBD</p> <p><b>Total federal funding = \$565.2 million</b></p>
<b>Community Care Licensing (CCL)</b>	<p><b>\$3 million increase (ongoing staff costs ~\$14M)</b></p> <ul style="list-style-type: none"> <li>• 28.5 positions to address backlog of complaint cases and expand training and technical assistance</li> <li>• Beginning January 2017, DSS will increase inspection frequency to every 3 years for all facilities</li> <li>• Beginning January 2018, every two years for all EXCEPT child care</li> <li>• Annually by 2019 for all adult care and residential care facilities for the elderly</li> </ul>

For complete budget summary information go to: [www.dof.ca.gov](http://www.dof.ca.gov) and click on California 2015-16 Budget