



IMPACTS OF GOVERNOR'S CHILD CARE BUDGET ON CHILDREN, CHILD CARE WORKERS, AND COMMUNITIES

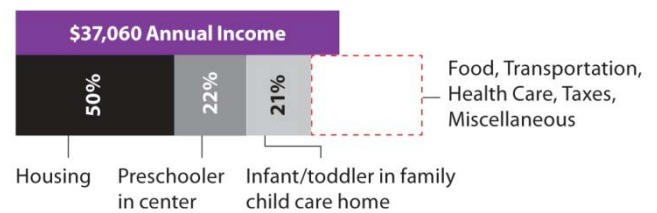
The Governor's budget eliminates \$517 million in child care funding, compounding the \$883 million in cuts to child care since 2008. These cuts and proposals to dismantle and realign California's child care system will prevent children from receiving a strong educational foundation and parents from reaching self-sufficiency.



62,000 children lose care leaving parents with few options

The family self-sufficiency level in Los Angeles County is \$72,240 for a family of three² to meet their basic needs. Proposals to reduce income eligibility by 12% to 200% of federal poverty (\$37,060); disqualify parents attending school to increase their education and training; and require parents to work a minimum of 30 hours per week will leave thousands of children without vital child care services.

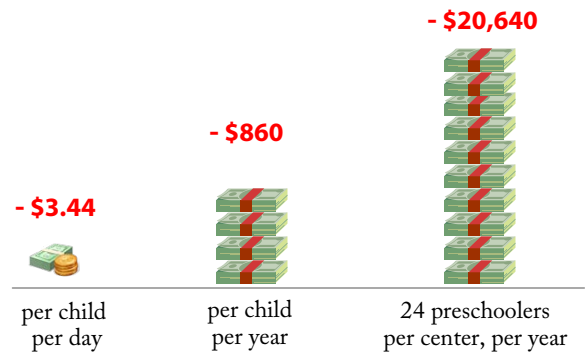
Percentage of Child Care & Housing Costs (93%) for a Family of Three Earning \$37,060¹ (Los Angeles County)



Over 100,000 child care workers' jobs at risk⁴

The Governor's budget proposal reduces the Standard Rate of Reimbursement (SRR) by 10% and the Regional Market Rate Ceilings from the 85th Percentile to the 50th Percentile. These reductions create disincentives to serve children receiving subsidies and force the closure of high quality programs dedicated to serving low-income communities. Programs also face up to a 21% reduction for meal reimbursements due to elimination of state funding.

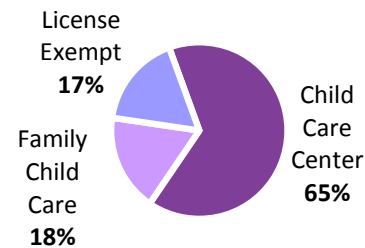
Impact of 10% Reduction to SRR for State Contracted Programs³



Dismantling California's Child Care System

Each year about 500,000 children receive child care services through a system of direct contracts to child care programs and vouchers for parents. Realignment of child care services will unravel California's mixed delivery system that relies on non-profit, private, and county agencies to respond to local child care needs and support parents and children.

Children Served by Type of Care⁵



- Percentages were based on the median rental cost for a two-bedroom, FT infant care at FCCH, and FT preschool care at a center for Los Angeles County.
- The Self-Sufficiency Standard for one adult with an infant and preschooler living in Los Angeles County, CA 2011. Insight Center for Community Economic Development.
- Calculated by multiplying the -\$3.44 per child per day, 10% reduction to the standard rate of reimbursement for a preschooler full day, by 250 days for 24 preschool age children to estimate annual loss for a preschool classroom.
- Estimated number licensed child care center (assistants, teachers, and directors) and family child care home staff (owners and paid assistants) working in programs which are contracted with the state to offer subsidized child care slots or serve children receiving a voucher. 2006 California Early Care and Education Workforce Study.
- CD-801A Monthly Child Care Report by type of care, October 2009. Analyzed by the California Child Care Resource & Referral Network.

Impact of Governor's 2012-2013 Child Care Budget Proposals on California's Parents, Children, Child Care Workers, and Communities

Parents and children

- **62,000 children lose child care (-\$517 million)**
- A family of three earning less than 200% of the Federal Poverty Level will lose their child care subsidy
 - **New Eligibility Limits:** family of 2= \$29,420; family of 3= \$37,060; family of 4 = \$44,700; family of 5=\$52,340
- A parent working less than 30 hours per week or attending school will no longer be eligible for child care services
- For a parent receiving a voucher, the reimbursement rate for their child care program, will be reduced causing a parent's copayment to potentially rise by **\$1,200 per year¹** to keep the same care arrangement.
- A parent in the CalWORKs program faces more restrictive work requirements and shorter time limits to reach self-sufficiency (**-\$1.1 billion reduction**)
- Elimination of Transitional Kindergarten will leave parents scrambling to find other child care options at a time when child care programs have been devastated by systemic cuts (**-\$223.7 million redirected**)

Child Care Workers

- **Over 100,000 child care business owners and early learning educators' jobs at risk²**
- Contracted centers will receive a 10% cut to their daily reimbursement rate while serving the same amount of children. For one preschool classroom serving 24 children this means a **loss of \$20,640 per year³**
- Family child care providers serving children receiving a voucher will have their maximum reimbursement changed to the 50th percentile instead of the 85th percentile of the

¹ Average monthly reimbursement decrease between the 85th percentile (2005 RMR) and the 50th percentile (2009 RMR) for full-time preschool care in a licensed center based.

² Estimated number of licensed child care center (assistants, teachers, and directors) and family child care home staff (owners and paid assistants) working in programs which are contracted with the state to offer subsidized child care slots or serve children receiving a voucher. *2006 California Early Care and Education Workforce Study*.

³ Calculated by multiplying the -\$3.44 per child per day, 10% reduction to the standard rate of reimbursement, by 250 days for 24 preschool age children to estimate annual loss for a center.

Regional Market Rate Survey. For full-time infant care, this decrease is between \$20 and \$218 per child, per month depending on the county.

- Elimination of the state portion of meal reimbursements for child care programs could mean up to a **21% reduction** to current levels
- Child care programs will have to begin disenrollment of **62,000 children** no longer eligible to receive care
- Proposed elimination of contracted programs by 2013 will cause hundreds of child care programs in low-income communities to close and leave child care workers unemployed

Communities

- The Governor has proposed dismantling the current child care system at additional cost to the state, families, and local communities
- Realignment of child care services will unravel California's diverse delivery system that relies on local non-profit, private, and county agencies to respond to local child care needs
- Shifting services out of the Department of Education will require the development of an entirely new child care system and take focus away from the importance of early childhood development and school readiness

How to Take Action:

- Call/Email your representatives
- Send a letter to Governor Brown/your legislator through our action alerts
- Get involved with your local Parent Voices chapter: www.parentvoices.org
 - Share your story and the impacts of the cuts with the Family Budget Profile
 - Join our Paper Doll Campaign
- Circulate our petition to protect child care funding

To access our advocacy toolkit and resource page visit our website at:

<http://www.rnetwork.org/rr-advocacy-for-children/take-action/>