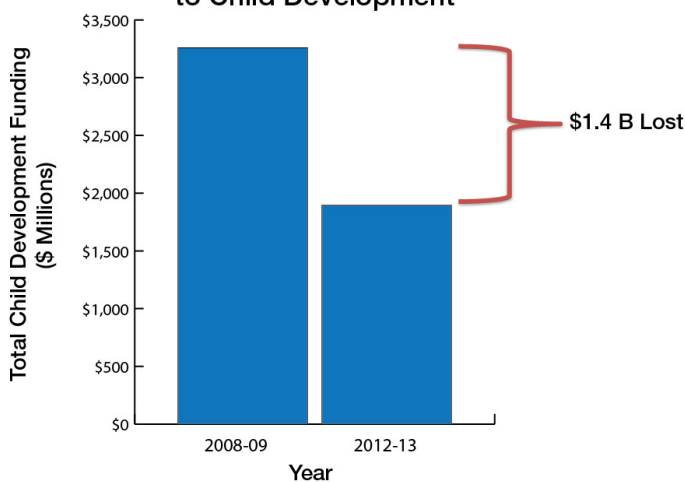


# California's Child Care and Development Budget Crisis



Gov. Brown's proposal, combined with previous cuts, means devastation for child care and development programs. Child care and development programs have already suffered close to \$1 billion in cuts since 2008, and over 100,000 children have lost preschool and child care. On top of those cuts, the governor proposes to cut an additional \$517 million from child care and development programs, leaving an additional 62,000 children without care. If enacted in combination with prior cuts, child care and development programs will have suffered a 42% loss since 2008.<sup>1</sup> Additional facts about Gov. Brown's January budget proposal:

**Gov.'s Proposal Means 42% Cut to Child Development**



- 20% of the total proposed budget cuts come from child care and preschool even though these programs represent only 3% of the total budget.<sup>2</sup>
- While child development will have been cut 42% since 2008, corrections will only have been cut by 15% during the same time period.<sup>3</sup>
- On top of these cuts, the governor's realignment proposal would actually cut the California State Preschool program nearly in half, meaning an additional 51,000 children lose preschool, and for no savings.

Gov. Brown proposes to cut 62,000 children from child care and preschool programs, decimating California's early learning system. The budget proposal achieves a savings of \$517 million by:

- slashing program eligibility – lowering family income levels; requiring stricter CalWORKS work requirements and denying some recipients access to child care; and
- reducing reimbursement rates to providers – for both contracted and voucher programs.

January Budget Proposal	Funding Cuts	Children Cut
Require all Non-Prop 98 programs to serve only families that meet federal welfare to work participation requirements	\$293.6 M	46,300
Reduce Income Eligibility from all Child Development Division (CDD) programs from 70% State Median Income (SMI) to 200% Federal Poverty Level (61.5% SMI)	\$68 M	15,700
Elimination of Mandatory COLA for all CDD programs	\$41.6 M	--
Regional Market Rate reduced from 85th percentile to 50th percentile based on 2009 survey data	\$11.8 M	--
Standard Reimbursement Rate reduced by 10%	\$101.9 M	--
<b>TOTAL</b>	<b>\$517 M</b>	<b>62,000</b>

<sup>1</sup> [http://www.lao.ca.gov/reports/2012/bud/budget\\_overview/budget-overview-011112.pdf](http://www.lao.ca.gov/reports/2012/bud/budget_overview/budget-overview-011112.pdf)

<sup>2</sup> <http://www.preschoolcalifornia.org/resources/resource-files/child-care-funding-reductions.pdf>

<sup>3</sup> <http://2008-09.archives.ebudget.ca.gov/Enacted/BudgetSummary/SUM/8867168.html> and <http://www.ebudget.ca.gov/pdf/BudgetSummary/SummaryCharts.pdf>



414 13th Street, Suite 500  
Oakland, CA 94612  
(510) 271-0075 T  
(510) 271-0707 F

Visit [www.preschoolcalifornia.org/statebudget](http://www.preschoolcalifornia.org/statebudget) for more information.