

**California Department of Education
Child Development Division
FY 2007-08 Governor's Budget Summary
(Proposed)**

LOCAL ASSISTANCE

- Overall, the Child Care and Development allocation to CDD is \$2.5 billion. With the inclusion of the Department of Social Services administered CalWORKs Stage 1 funding (\$501.2 million) and the holdback for Stage 1 (\$26.5 million) and Stage 2 (\$23.6 million), the total Child Care and Development allocation increases to \$3.1 billion.
- A COLA of 4.04 percent, or \$62.1 million, is proposed for child development programs.
- Growth is \$14.5 million or 0.97%. These amounts will be adjusted accordingly in the May Revision based on updated economic and population projections.
- The standard reimbursement rate (SRR) for center-based programs will increase to \$34.22 per child day of enrollment. The reimbursement rate for State Preschool programs is also increased by the COLA to \$21.12 per day.

TARGETED PRESCHOOL INITIATIVE

- The Budget provided \$50 million to continue funding for prekindergarten and family literacy programs located in the attendance areas of elementary schools with 2005 base Academic Performance Index decile ranking of 1, 2, or 3, pursuant to the provisions of Chapter 211, Statutes of 2006 (AB 172).
- The budget proposes \$5 million in continued funding for Preschool Wraparound care.

CHILD CARE DEVELOPMENT DIRECT SERVICE FUNDING

• General Child Care and Development Programs	\$762,383,000
• State Preschool	\$418,644,000
• Alternative Payment (non-CalWORKs)	\$243,536,000
• Alternative Payment (CalWORKs) Stage 2	\$447,357,000
• Alternative Payment (CalWORKs) Stage 3	\$392,782,000
• Migrant Centers	\$ 38,439,000
• Extended Day (Latchkey) Programs	\$ 34,005,000
• Handicapped Programs	\$ 1,892,000

CHILD CARE ELIGIBILITY

Child Care Shift

- The budget proposes to increase Proposition 98 funding for CalWORKs Child Care by \$269 million. By utilizing the available Proposition 98 funds in lieu of federal Temporary Assistance for Needy Families (TANF) Block Grant funds for Child Care, this proposal allows a like amount of TANF funding to be redirected to offset non-Proposition 98 General Fund costs in the CalWORKs program.

Centralized Eligibility Lists

- The budget authorizes \$7.9 million for county centralized eligibility lists (CELs) and requires the Department to submit a status report on CEL implementation each November 1. The funding is the same as current budget year.

Family Fee Schedule/State Median Income

- Provision (15) of 6110-196-0001 states that the budget freezes the income eligibility limits for FY 2007-08.

CalWORKs CHILD CARE

- The total of all Stage 2 funding is \$447.4 million, which represents a decrease of \$77 million from current year funding.
- The total for all Stage 3 funding is \$392.8 million, which is an increase of \$2.3 million from current year totals.

QUALITY ACTIVITIES

- One-time federal quality funding (CCDBG) in the amount of \$8.6 million is available for use in FY 2007-08. Of that amount, \$1,400,000 is available to be used for the development of preschool learning standards; \$500,000 is to be used for health and safety training for both licensed and license-exempt child care providers, and \$200,000 is allocated for Trustline registration workload activities. The remaining funds may be used for child care and development quality expenditures identified by CDE and approved by the Department of Finance.
- The budget authorizes \$18.6 million for resource and referral programs and \$6.3 million for local planning councils.

STATE OPERATIONS

- CDD has continued to receive funding in the amount of \$150,000 for State Preschool Expansion. In addition, the budget provides for a consultant position to support the expansion.

- The budget provides for an increase in funding for the Alternative Payment Monitoring Unit in the amount of \$10,000.

TECHNICAL BUDGETING NOTES/KEY ISSUES

- Information regarding funding for CDE programs is provided in Budget Act items, (6110-196-0001, 6110-196-0890, 6110-485, and 6110-494).
- CDE will continue to develop a quality expenditure plan for FY 2008-09 that sets forth the proposed state and local activities to improve childcare, including the reasons and actions to be taken in FY 2008-09. This plan must be submitted to the Department of Finance and to the fiscal committees of both houses of the Legislature at least 30 days prior to the commencement of public hearings and no later than March 1, 2008. (6110-196-0001, Provision (f).)

OTHER CDE-ADMINISTERED CHILD CARE-RELATED PROGRAMS

- Proposition 49 required that the After School Education and Safety Program be fully funded when state General Fund expenditures reached a certain level. This level of expenditures was reached in 2006-07. The Budget increased funding from \$122 million to \$547 million annually, an increase of \$425 million.
- As per the FY 2007-08 proposed budget, the 21st Century Community Learning Centers funding was reduced from \$162.6 million to \$129 million, resulting in a \$33.6 million decrease from current year.
- Overall funding for the California School Age Families Education Program (CalSAFE) is \$58.2 million, which is an increase of \$2 million from current year funding due to growth and COLA adjustments. There is a child development component funded at \$26.9 million which was increased by the statutory COLA and average daily attendance. Additional child development funds are available for schools maintaining a Pregnant Minor Program.

CDD ADMINISTERED FAMILY LITERACY PROGRAMS

- The William F. Goodling Even Start Family Literacy Program funding is \$11.9 million, which remains the same as current year levels.
- Funding for the California Migrant Education Even Start (MEES) program is \$5.9 million, which remains the same as current year.
- The American Indian Early Childhood Education Program funding is \$659,000. This represents a \$99,000 increase from current year.