

AGENDA – CHILD CARE AND EARLY EDUCATION

ASSEMBLY BUDGET SUBCOMMITTEE NO. 1 ON HEALTH AND HUMAN SERVICES

ASSEMBLYMEMBER SHIRLEY N. WEBER, PH.D., CHAIR

FRIDAY, MAY 23, 2014
1:00 P.M. - STATE CAPITOL ROOM 447

ITEMS TO BE HEARD		
ITEM	DESCRIPTION	
6110	DEPARTMENT OF EDUCATION	
5180	DEPARTMENT OF SOCIAL SERVICES	
ISSUE 1	ASSEMBLY EARLY EDUCATION PLAN	
0530	HEALTH AND HUMAN SERVICES AGENCY, OFFICE OF SYSTEMS INTEGRATION	
ISSUE 1	MAY REVISION: CASE MANAGEMENT INFORMATION AND PAYROLLING SYSTEM (CMIPS) II	

VOTE-ONLY CALENDAR

6110 DEPARTMENT OF EDUCATION

5180 DEPARTMENT OF SOCIAL SERVICES

ISSUE 1: ASSEMBLY EARLY EDUCATION PLAN

The Subcommittee will consider adopting the Assembly Early Education Plan.

BACKGROUND

The State offers an array of early education programs that serve more than 340,000 children in California. At its March 11 hearing on Early Childhood Education, the Subcommittee discussed numerous concerns with the current system:

Access to child care remains far below pre-recession levels. The number of state-subsidized child care slots remains about 110,000 less than it was in 2007-08, as the state has reduced spending in this area by more than \$1 billion.

The low rates paid to providers hinder families' access to child care, limit quality, increase staff turnover and threaten many providers' long-term viability. There are two main categories of rate reimbursement for providers: The Standard Reimbursement Rate, which is paid to agencies, such as child care centers and preschools, that contract directly with the Department of Education, has not been increased since 2007. The Regional Market Rate, which is used for programs paid through vouchers, is based on a 2004 market survey. These low rates hinder providers' ability to deliver stable, quality services.

Family fees and eligibility limits continue to threaten access. The state began charging a fee for part-day preschool in 2012-13. About 5 percent of the total enrollment withdrew from preschool and an additional 2,757 children did not enroll in the program after their parents were informed of the fee, just in the first six months of implementation. Family fees also are charged for other non-CalWORKS programs.

Additionally, the State Median Income (SMI) is used to decide whether a family is eligible for subsidized child care. Current policy allows families earning up to 70 percent of the SMI to qualify for child care. The SMI has not been adjusted since 2007; budget language has frozen the SMI each year since then. Freezing the SMI prevents more families from being eligible for child care. Currently a family of three loses eligibility for child care if they earn more than \$42,216 annually; a family of four must earn under \$46,896 annually to qualify.

Elimination of state nutrition funding dis-incentivizes nutritional meals. In 2012, the Governor vetoed out of the budget bill \$10.1 million from the child nutrition supplemental program, which provided a small state subsidy to child care providers who participated in the federal Child and Adult Care Food Program. The state had provided about 16 cents per meal to providers who participated in the federal program, which provides federal funding to encourage nutritional meals. The state continues to provide this supplemental funding for K-12 schools, but child care providers no longer receive the funding, which has strained child providers' ability to provide healthy meals.

STAFF COMMENT

The Subcommittee could consider adopting the following Early Childhood Education Plan, which would add 47,000 early education slots in various programs, significantly increase provider rates, and address nutrition and quality concerns.

Action	Description	General Fund Cost	Proposition 98 Cost
Add 47,000 new Early Education Slots	20,000 new part-day preschool slots with Head Start wrap-around services; 15,000 new part-day preschool slots; 12,000 new General Child Care and voucher slots	\$112 Million	\$140 Million
Increase the State Reimbursement Rate for General Child Care Centers and Part-Day Preschool	Increase rates by 10%; also increase multiplier for infant/toddler care from 1.7 to 2	\$50 Million	\$50 Million
Increase the Regional Market Rate	Increase rate by 10% in every county	\$40 Million	
Increase Family Eligibility	Use Current 70 percent of SMI child development programs, Increase Preschool Eligibility Amounts by 25 percent and Eliminate Preschool Family Fees		\$15 Million
Improve Provider Quality	\$15 million for provider training administered by Resource and Referral Networks; \$7.5 million to support training coordinated by Local Child Care Planning Councils	\$22.5 Million	
Reinstate state stipend for nutrition	Reinstate \$.16 per meal for providers participating in federal Child and Adult Care Food Program	\$10 Million	
Total		\$234.5 Million	\$205 Million

Assembly Budget Committee #2 adopted this plan at its hearing on May 22, 2014.

Staff Recommendation: Conform to Subcommittee #2 Action to Adopt the Assembly Early Childhood Education Proposal

0530 HEALTH AND HUMAN SERVICES AGENCY, OFFICE OF SYSTEMS INTEGRATION**ISSUE 1: MAY REVISION: CASE MANAGEMENT INFORMATION AND PAYROLLING SYSTEM (CMIPS) II**

Case Management Information and Payrolling System (CMIPS) II (Issue 407)—The May Revision request s that Item 0530-001-9745 be increased by \$17,461,000 to support CMIPS II system changes needed in fiscal year 2014-15. Specifically, the funding will be used to update the system for recent changes to the federal Fair Labor Standards Act, the increase to the state’s minimum hourly wage rate, and enhancements to accommodate blind and visually impaired In-Home Supportive Services recipients.

Staff Recommendation:

Approve the May Revision requested as budgeted.