



CALIFORNIA BUDGET PROJECT

# Key Facts About Child Care and Development Programs in California

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THE CALIFORNIA BUDGET PROJECT  
February 2011

# Overview

- California's child care programs provide safe and affordable child care that helps low- and moderate-income parents find and retain jobs. In addition, child development programs provide access to preschool and afterschool options for California's families.
- The Governor proposes deep cuts to child care in 2011-12. Total funding for child care and development programs would drop by 18.2 percent between 2010-11 and 2011-12 and would be lower than in 1999-00, after adjusting for inflation.
- Non-CalWORKs child care funding would drop by 39.7 percent between 2010-11 and 2011-12 and would be lower than in 1996-97, after adjusting for inflation.
- CalWORKs child care funding would drop to an all-time low in 2011-12, after adjusting for inflation.
- Preschool and afterschool funding would remain essentially flat in 2011-12, after adjusting for inflation.
- Child care is more important than ever as parents struggle to find and retain jobs in the aftermath of the Great Recession.

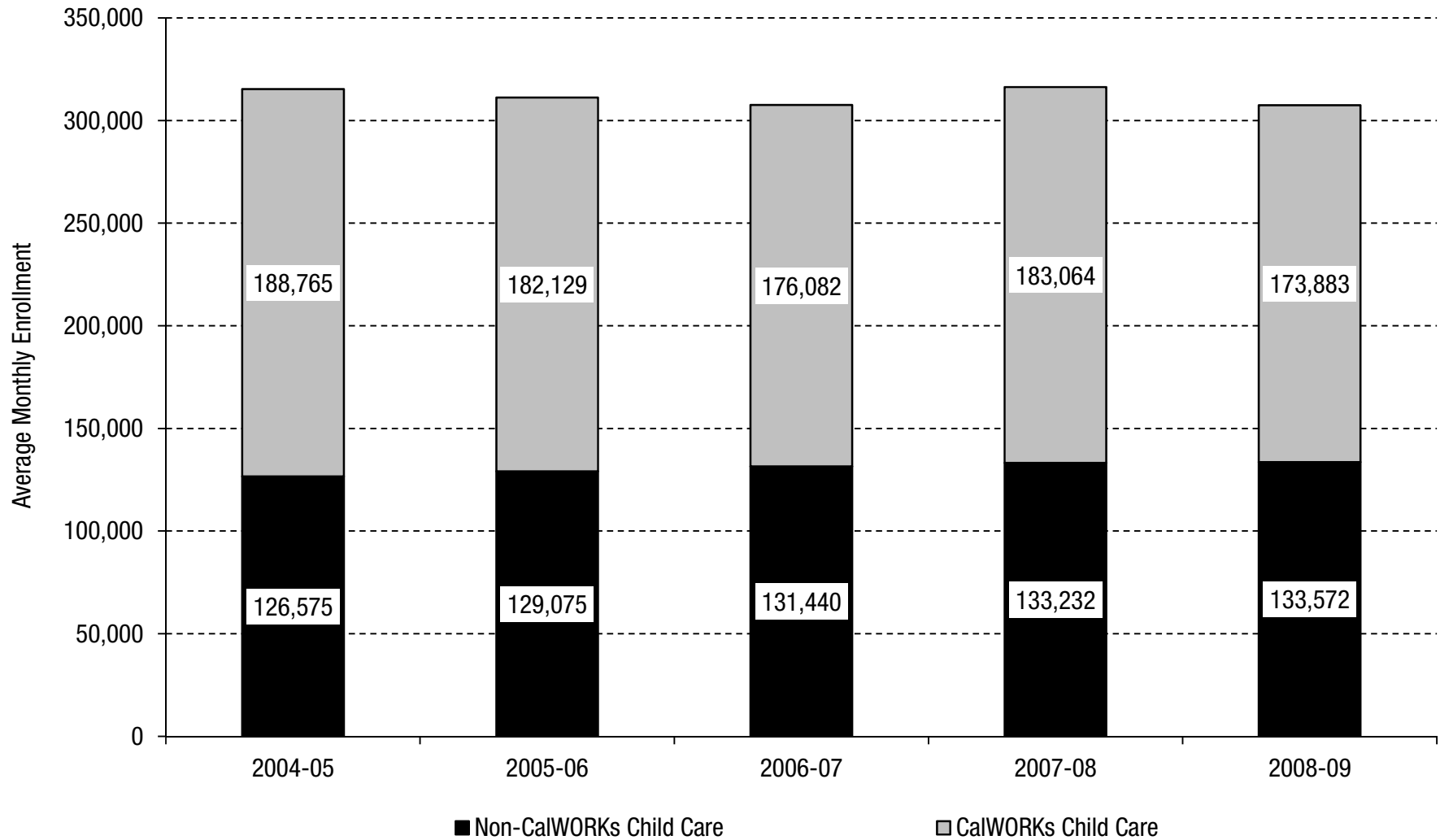


# California's Child Care Programs Provide Safe and Affordable Child Care That Helps Low- and Moderate-Income Parents Find and Retain Jobs

# California's Child Care Programs

- California's child care programs typically enroll more than 300,000 children per month.
- Families may receive child care if a child is under age 13 and parents have a need for care because they are working, seeking employment, or participating in a training program. Families in the CalWORKs welfare-to-work program as well as low- and moderate-income families who are not enrolled in CalWORKs may receive child care.
- Families must have incomes at or below 75 percent of the state median income (SMI) – currently \$45,225 per year for a family of three.
- Many eligible families lack access to child care due to funding constraints. Nearly 188,000 children were on child care waiting lists across the state in June 2010.

## California's Child Care Programs Typically Enroll More Than 300,000 Children Per Month



Note: Non-CalWORKs child care includes General Child Care, the Alternative Payment Program, and a number of smaller child care programs.  
 Source: California Department of Education, Department of Finance, Department of Social Services, and Legislative Analyst's Office



# Child Development Programs Provide Access to Preschool and Afterschool Options for California's Families

# The California State Preschool Program

- The California State Preschool Program provides full- and part-day preschool services for eligible three- and four-year-olds.
- Eligibility is generally limited to families with incomes at or below 75 percent of the SMI – currently \$45,225 per year for a family of three. However, state law allows up to 10 percent of families served to have incomes somewhat above this income threshold.
- A total of nearly 131,300 children were enrolled in 2008-09, the most recent year for which data are available.

# State and Federal Afterschool Programs

- The state After School Education and Safety (ASES) Program provides educational and academic enrichment services for students in kindergarten through ninth grade. Proposition 49 of 2002 requires the state to provide approximately \$550 million each year for ASES, a funding mandate that was triggered in 2006-07.
- The federal 21<sup>st</sup> Century Community Learning Centers Program provides additional funding to support afterschool services for disadvantaged K-12 students.
- Nearly 433,000 children were enrolled in these programs each school day during 2009-10, on average, the most recent year for which data are available.



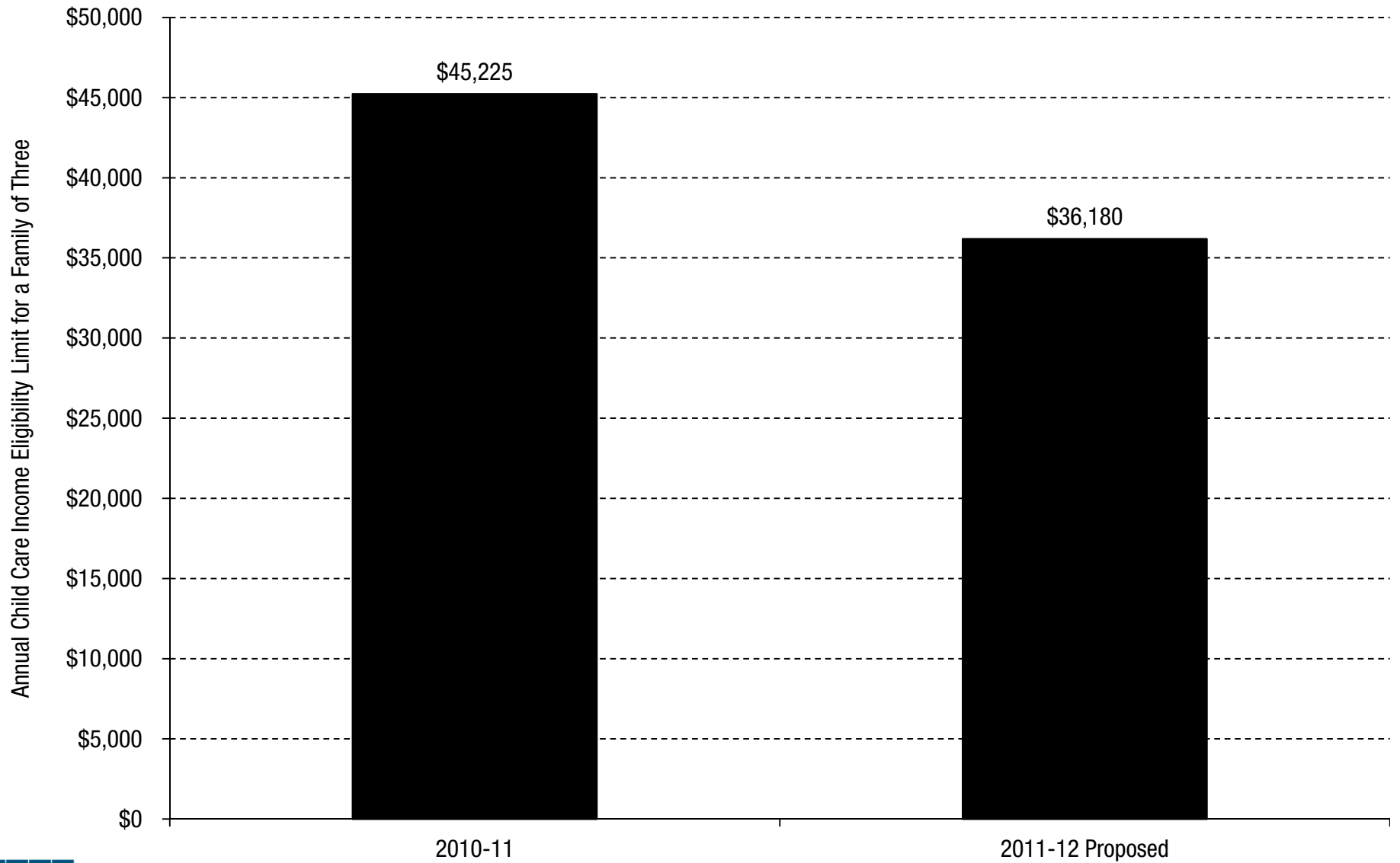



# The Governor Proposes Deep Cuts to Child Care in 2011-12

# The Governor Proposes \$750 Million in Child Care Cuts

- The Governor proposes to:
  - Cut funding for each child care slot by 35 percent for savings of \$577 million. This proposal assumes that each family would pay more – potentially hundreds of dollars per month – to make up for reduced state funding, and therefore that no child care slots would be eliminated due to this reduction. This cut would not apply to CalWORKs Stage 1 child care or to the state preschool program.
  - Eliminate child care for 11- and 12-year-olds for savings of \$93 million.
  - Reduce the income limit from 75 percent to 60 percent of the SMI for savings of \$79 million. The income limit for a family of three would decline from \$45,225 to \$36,180 per year – a 20.0 percent cut. This reduction would not apply to the state preschool program.

## The Income Limit for Child Care Would Drop by 20 Percent Under the Governor's Proposal





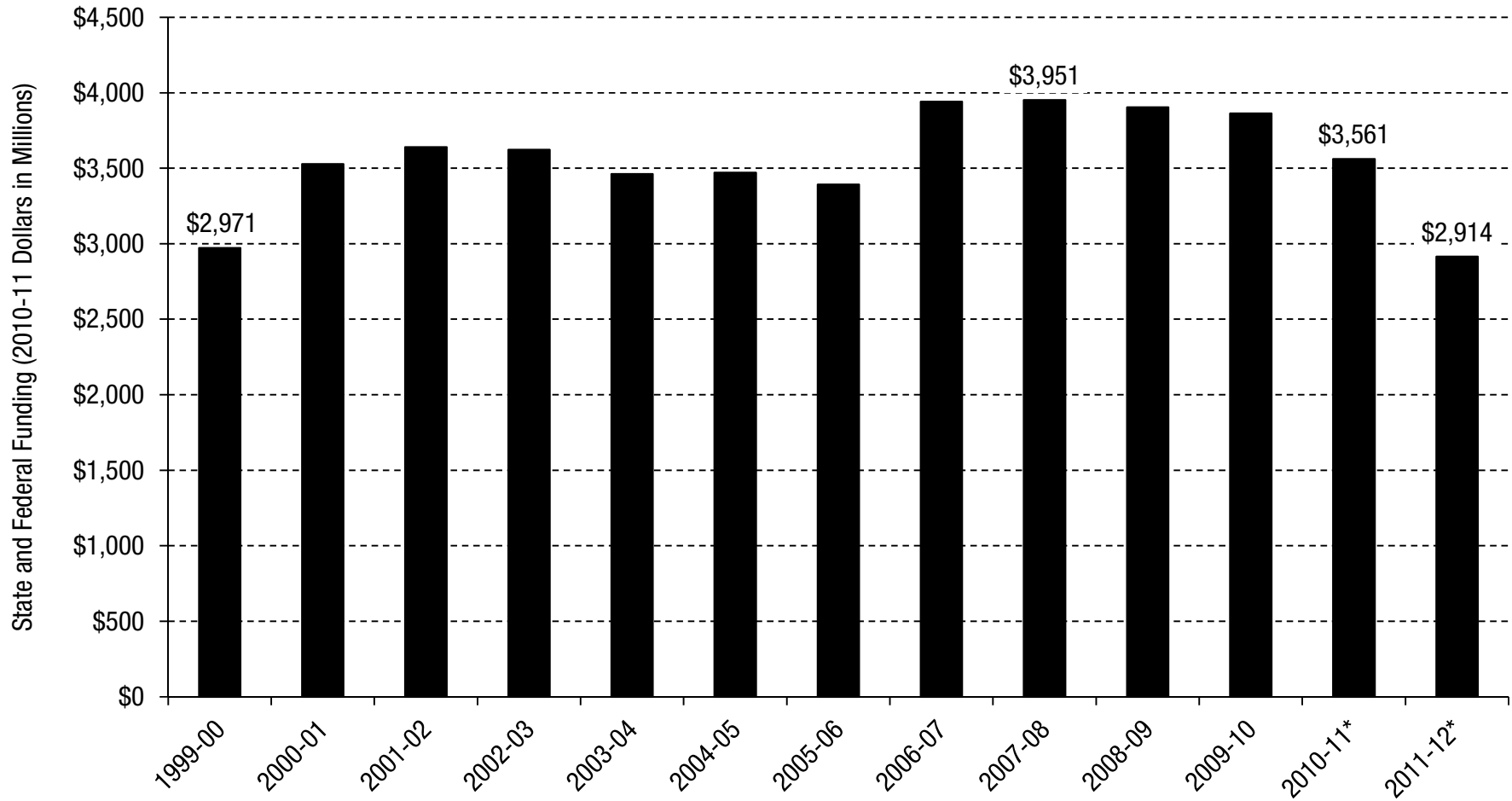
Total Funding for Child Care and Development Programs Would Drop by 18.2 Percent Between 2010-11 and 2011-12 and Would Be Lower Than in 1999-00, After Adjusting for Inflation

# Total Funding Would Drop by 18.2 Percent in 2011-12

- Total funding for child care and development programs would decline from \$3.561 billion in 2010-11 to \$2.914 billion in 2011-12, after adjusting for inflation, under the Governor's proposals – an 18.2 percent drop.
- Proposed 2011-12 funding would be slightly lower than the 1999-00 inflation-adjusted level of \$2.971 billion.
- Afterschool funding accounts for a substantially larger share of total child care and development funding in 2011-12 compared to 1999-00. Afterschool funding comprised 2.2 percent of total funding in 1999-00, but is projected to make up nearly one-quarter (23.6 percent) of total child care and development funding in 2011-12.

## Total Funding for Child Care and Development Programs Would Drop Significantly in 2011-12

Afterschool Funding Has Increased From \$67 Million in 1999-00 to a Projected \$687 Million in 2011-12, After Adjusting for Inflation



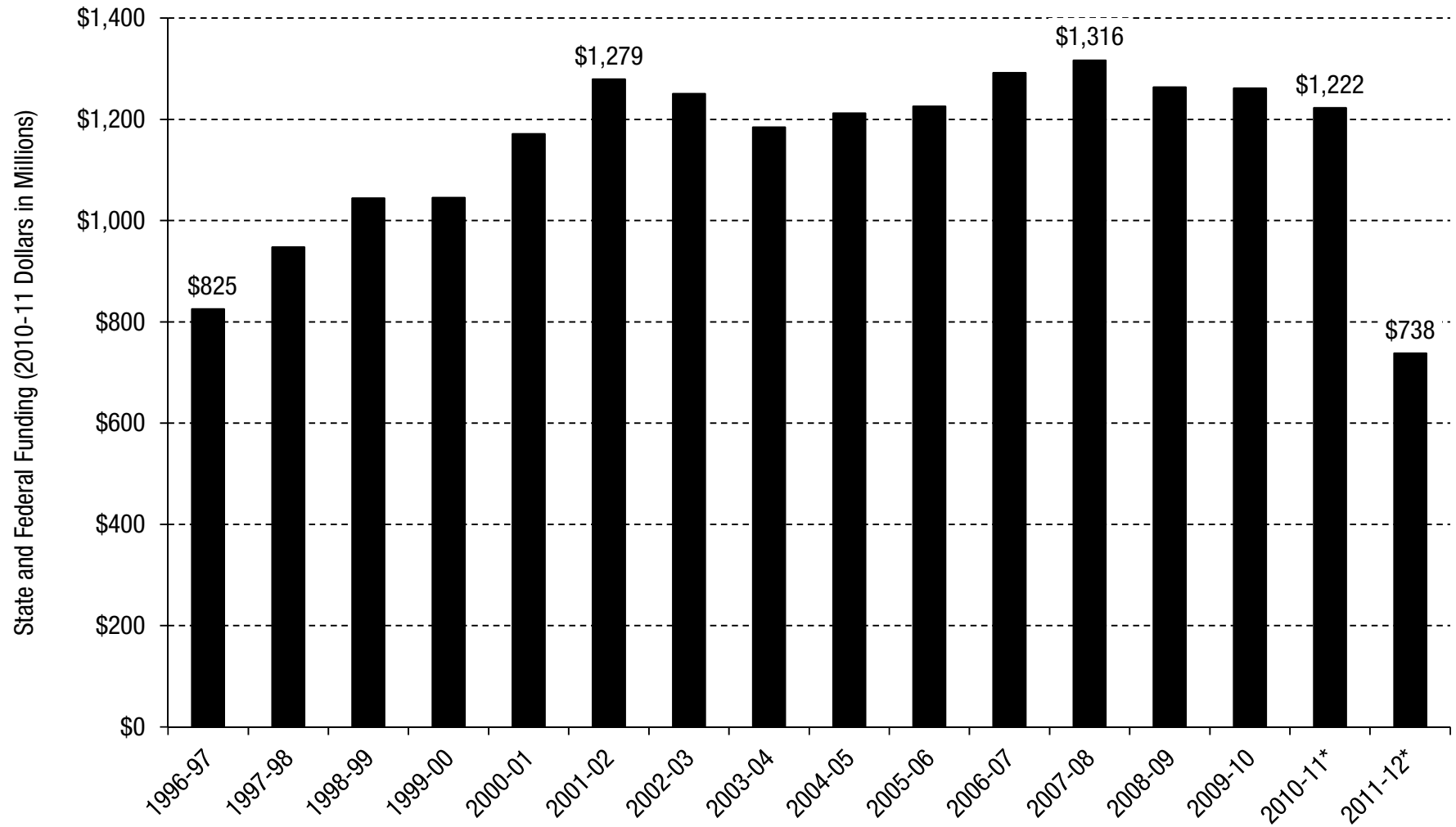
\* 2010-11 estimated and 2011-12 proposed.

Source: California Department of Education, Department of Finance, Department of Housing and Community Development, Department of Social Services, and Legislative Analyst's Office



**Non-CalWORKs Child Care Funding Would Drop by  
39.7 Percent Between 2010-11 and 2011-12 and Would  
Be Lower Than in 1996-97, After Adjusting for Inflation**

## Funding for Non-CalWORKs Child Care Programs Would Drop Steeply in 2011-12



\* 2010-11 estimated and 2011-12 proposed.

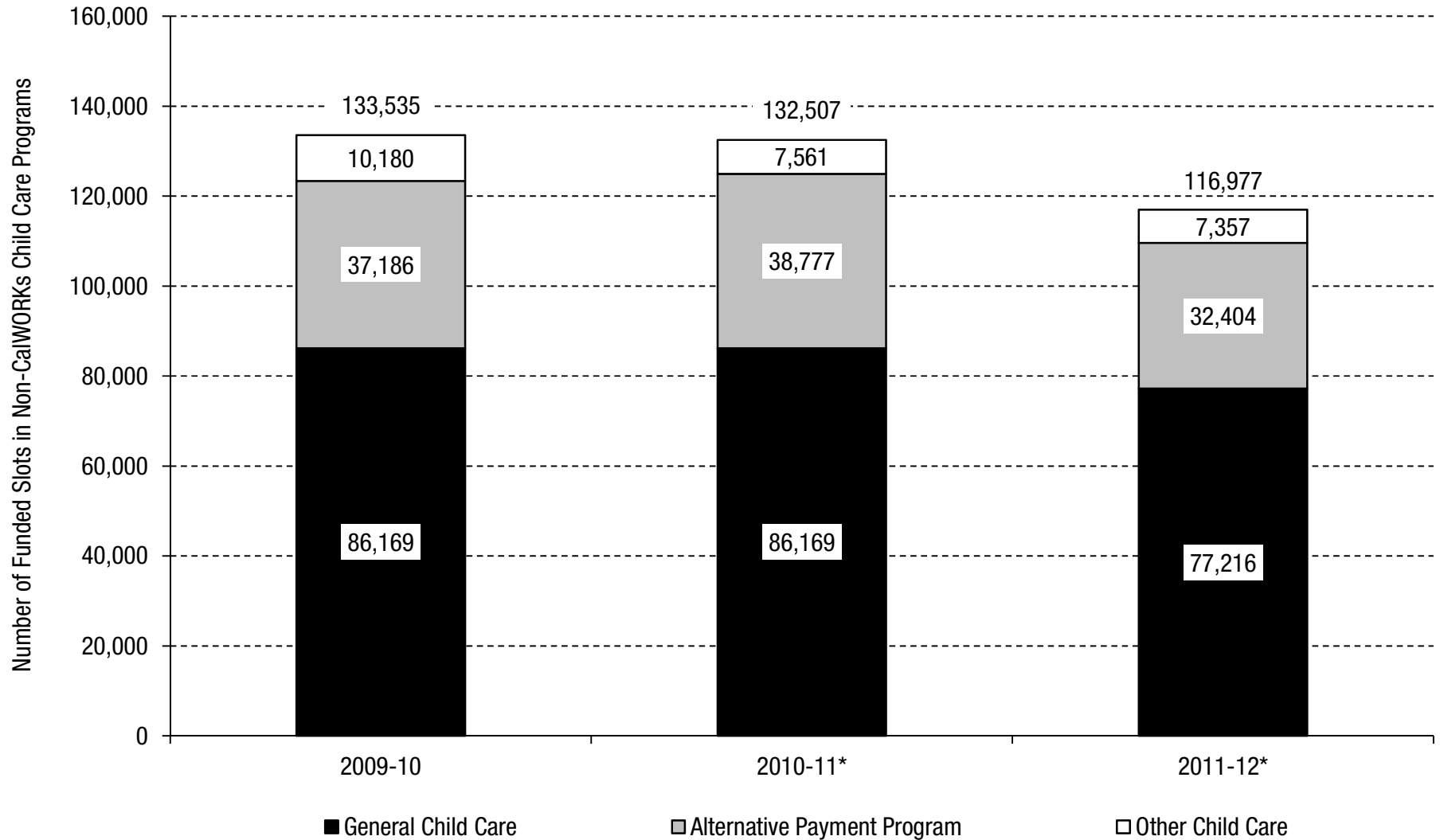
Note: Non-CalWORKs child care programs include General Child Care, the Alternative Payment Program, a number of smaller child care programs, and child care support services.

Source: California Department of Education and Department of Finance



## Non-CalWORKs Child Care Slots Would Drop by More Than 15,000 Under the Governor's Proposals

The Governor's Proposal To Cut Child Care Subsidies by 35 Percent Could Cause Additional Slots To Be Lost

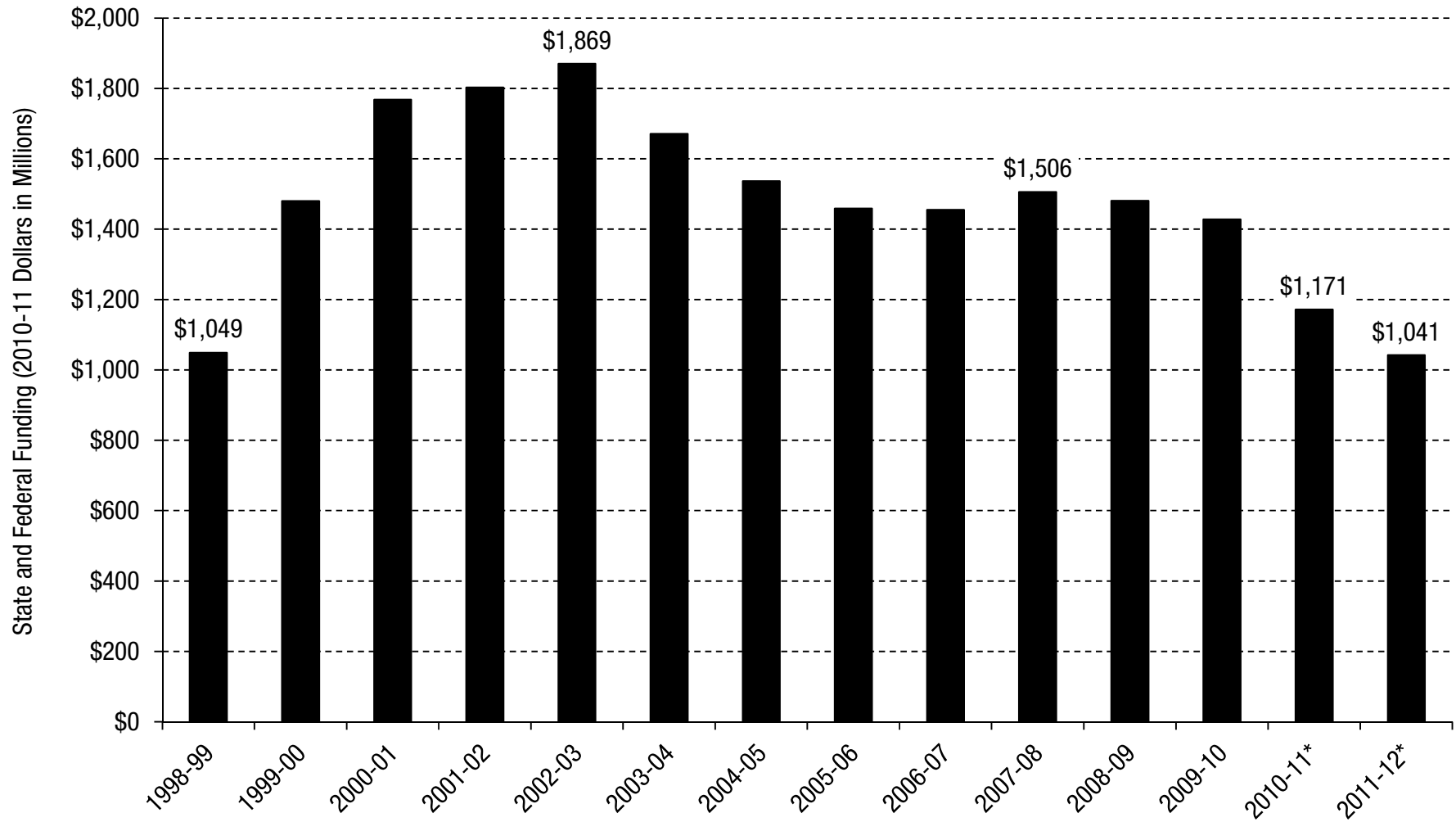


\* 2010-11 estimated and 2011-12 proposed.  
Source: Department of Finance



# CalWORKs Child Care Funding Would Drop to an All-Time Low in 2011-12, After Adjusting for Inflation

## Funding for CalWORKs Child Care Would Drop to an All-Time Low in 2011-12



\* 2010-11 estimated and 2011-12 proposed.

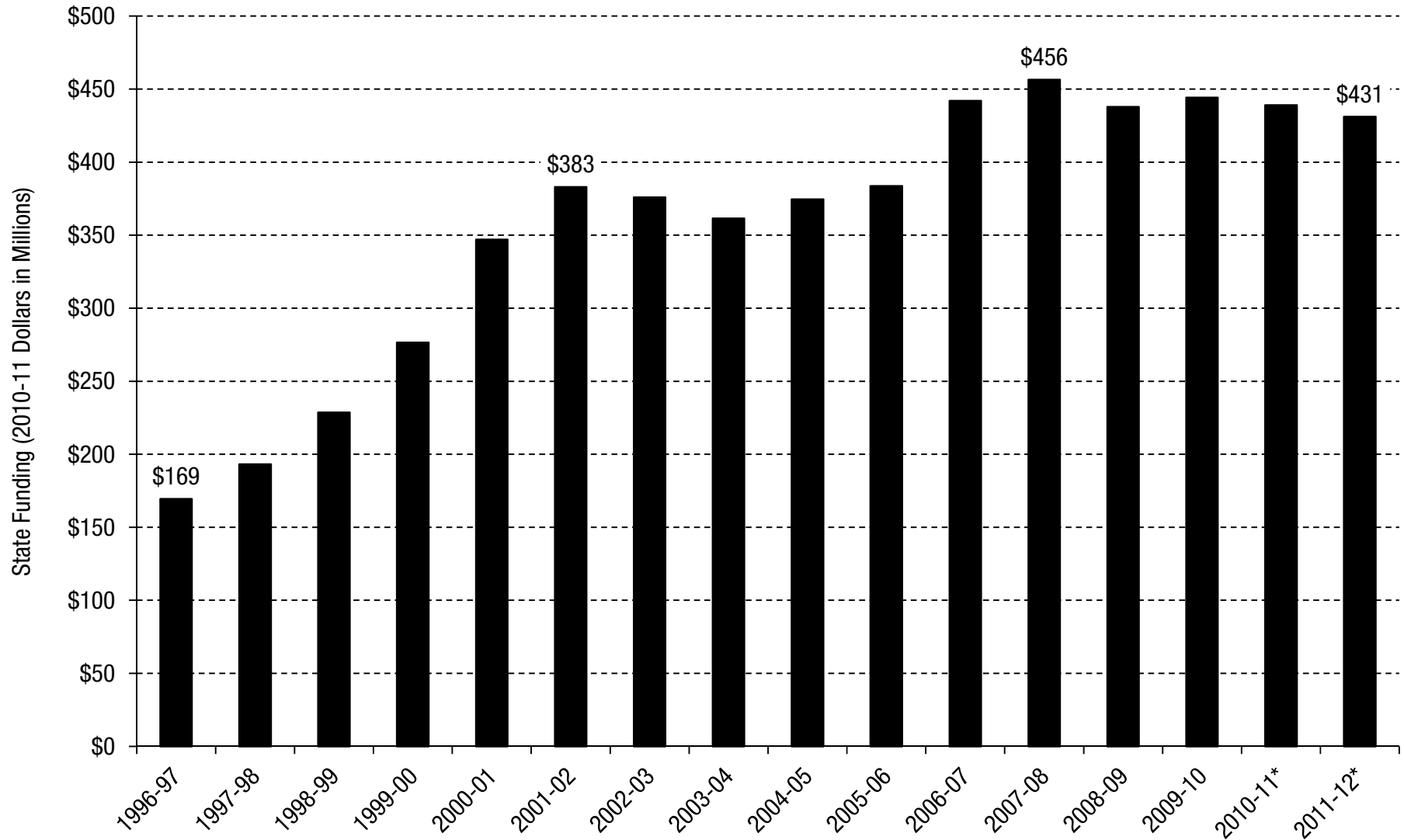
Note: Includes funding for CalWORKs Stages 1, 2, and 3 child care. 2010-11 reflects the Governor's proposal to restore Stage 3 funding effective April 1, 2011. The previous Governor vetoed Stage 3 funding in October 2010.

Source: California Department of Education, Department of Finance, and Department of Social Services

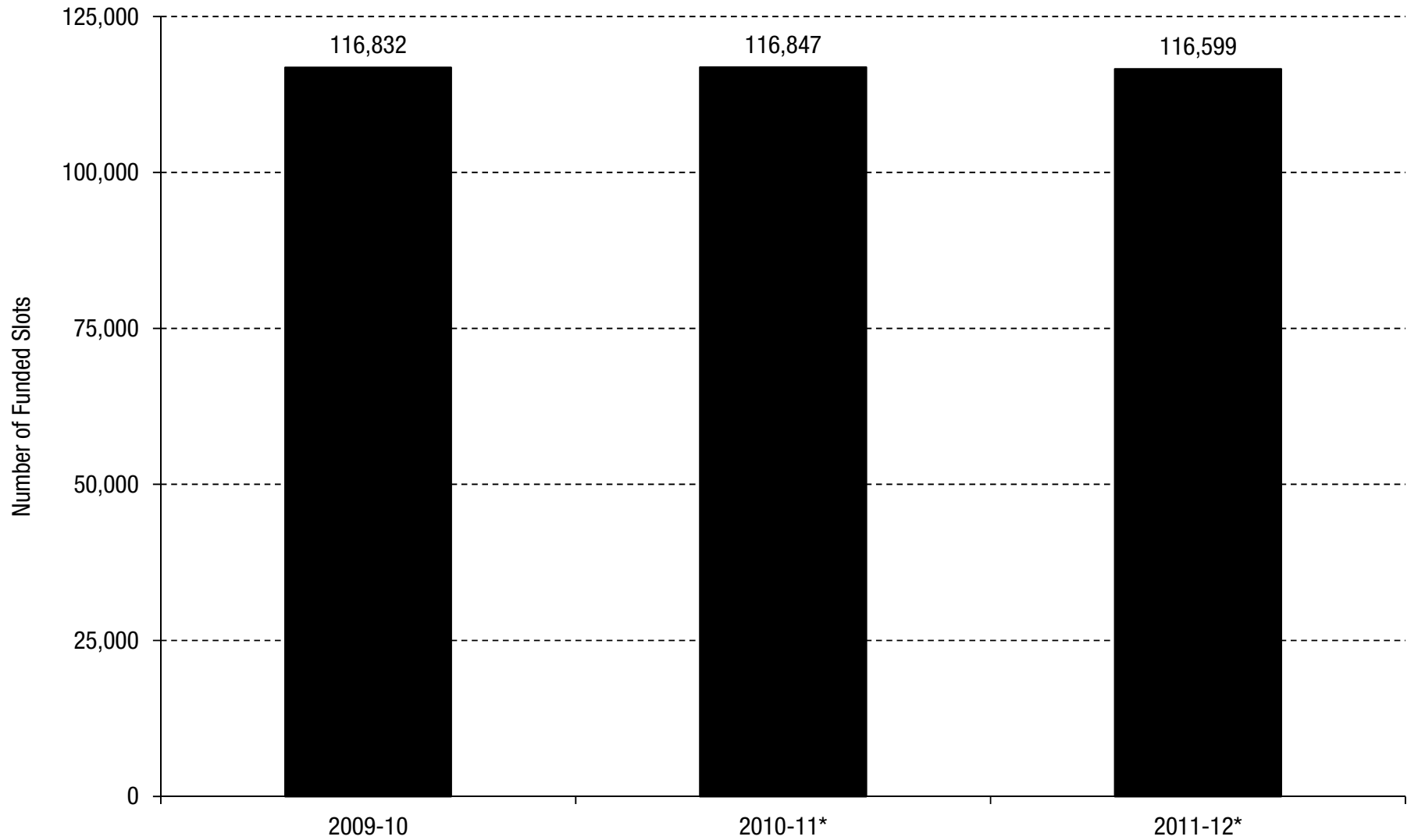


# Preschool and Afterschool Funding Would Remain Essentially Flat in 2011-12, After Adjusting for Inflation

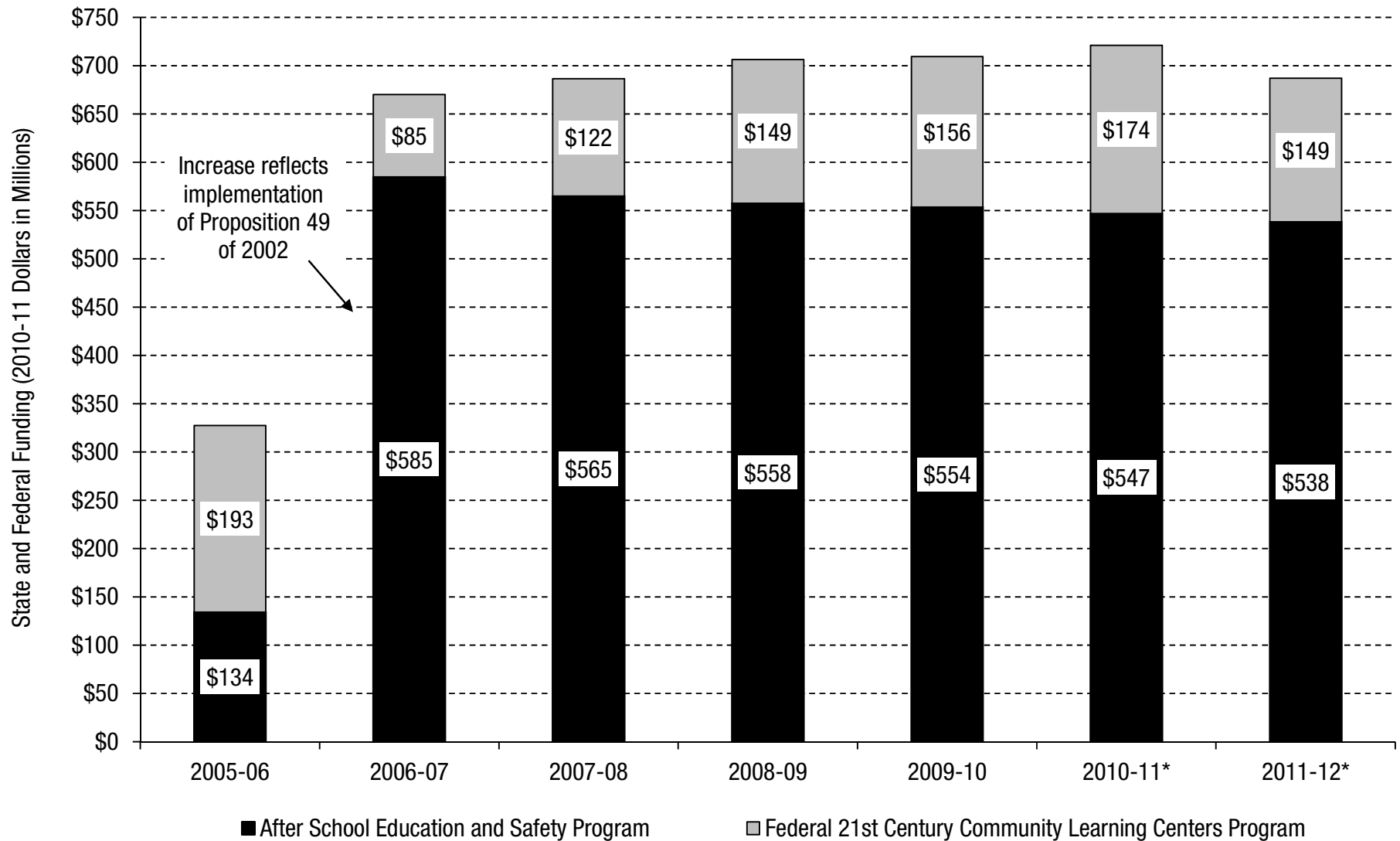
## Preschool Program Funding Would Remain Essentially Flat in 2011-12 Compared to Recent Years



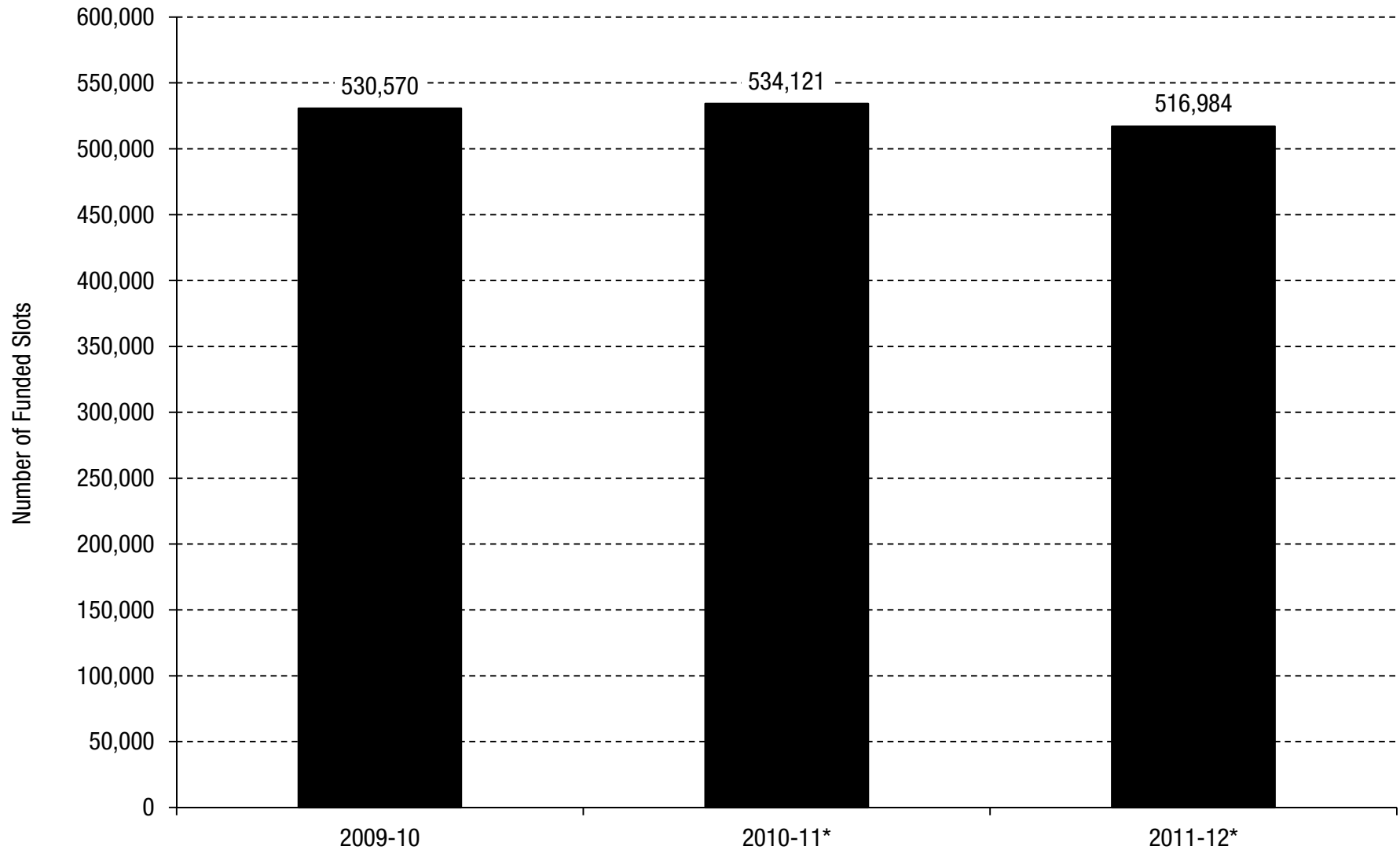
## Preschool Program Slots Would Remain Essentially Flat in 2011-12




## Total Afterschool Funding Would Remain Essentially Flat in 2011-12 Compared to Recent Years



## State and Federal Afterschool Program Slots Would Remain Essentially Flat in 2011-12

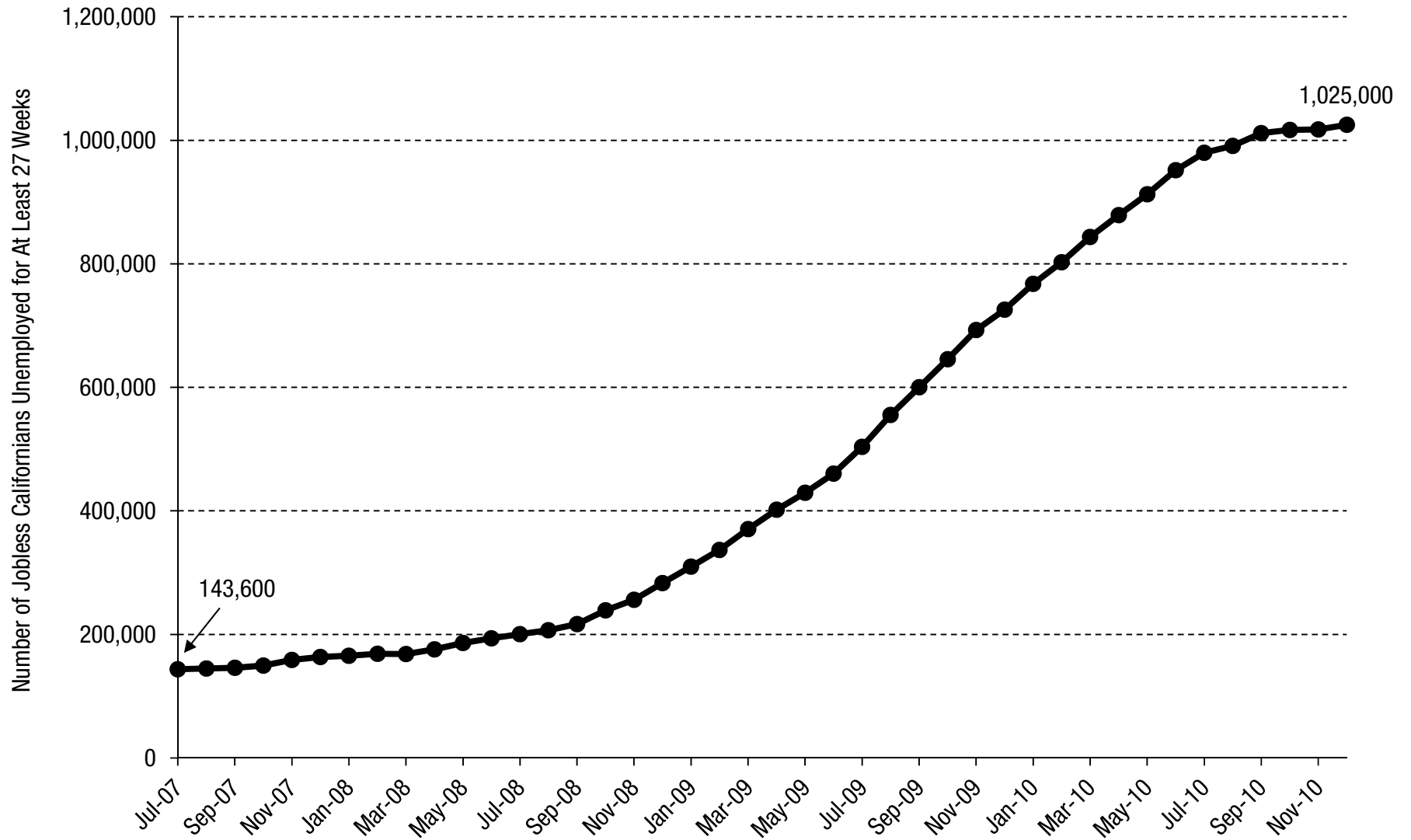






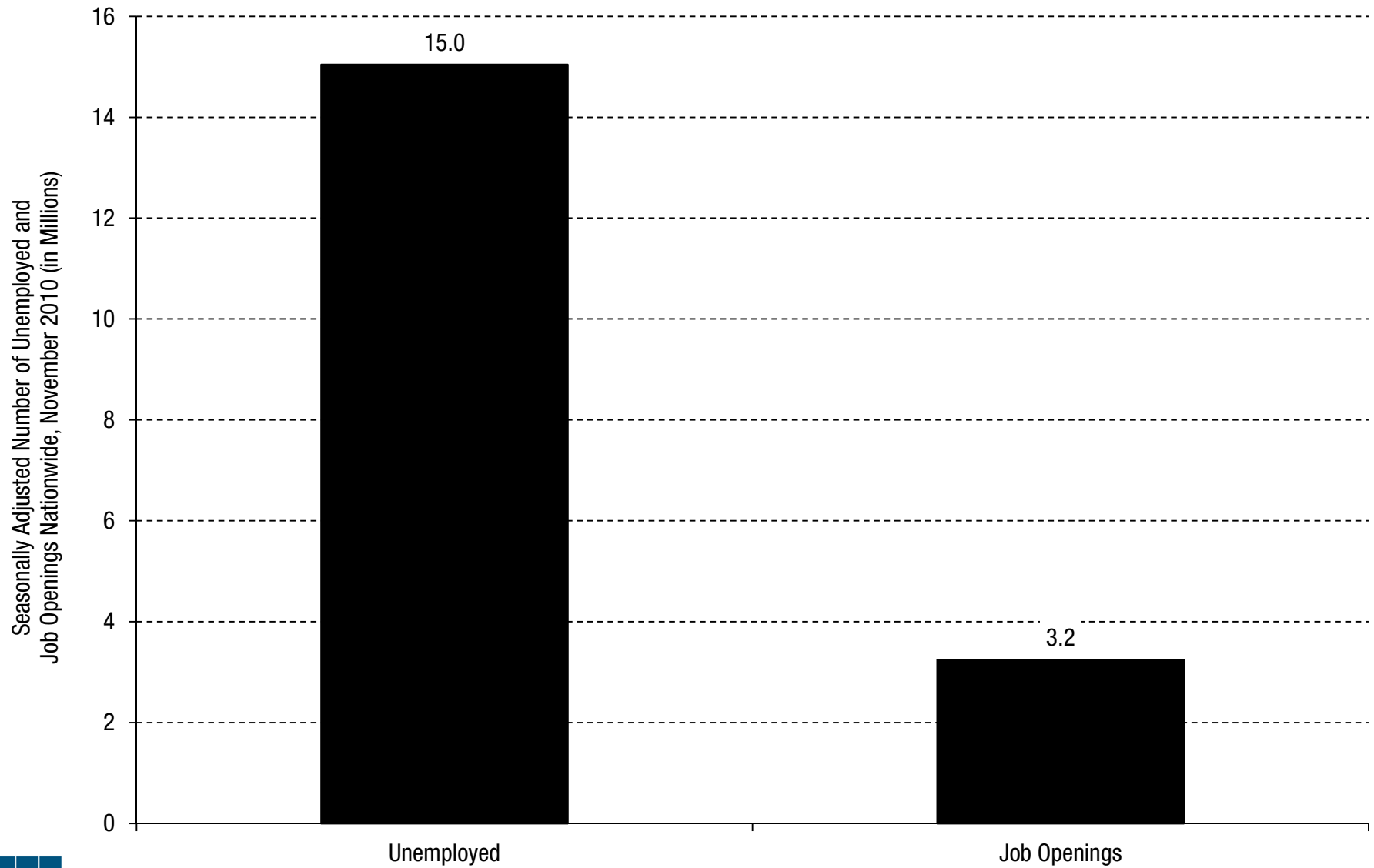
# Child Care Is More Important Than Ever as Parents Struggle To Find and Retain Jobs in the Aftermath of the Great Recession

## More Than 1 Million Californians Have Been Looking for Work for At Least Six Months

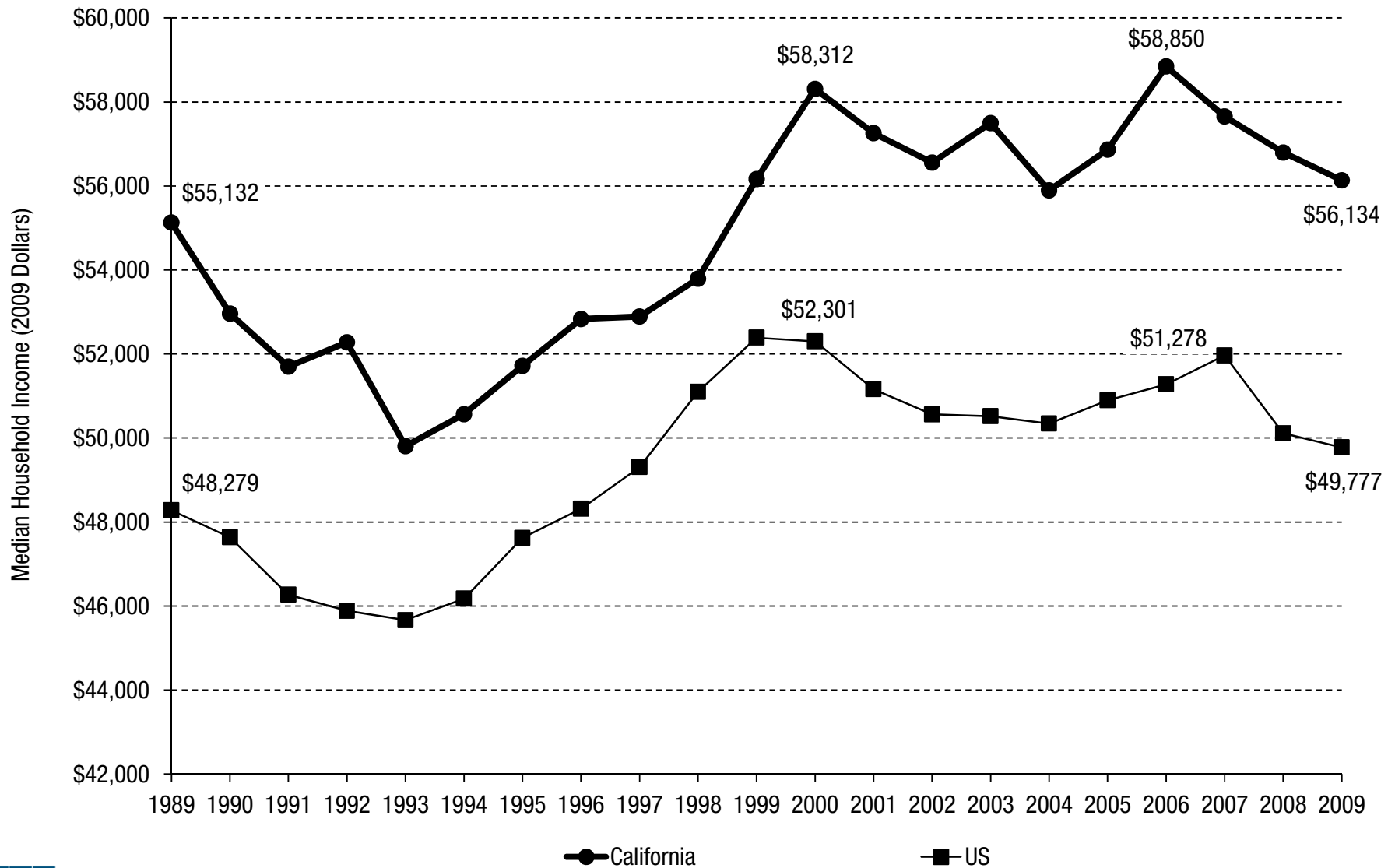


Note: Data reflect 12-month averages ending in the month displayed.  
Source: Employment Development Department

## The Number of People Looking for Work Exceeds Available Jobs by Five to One



## California's Median Household Income Has Lost Purchasing Power Since 2006



## California's Poverty Rate Increased Significantly Between 2006 and 2009

