

May 20, 2014

Child Care and Preschool Programs: May Revision Overview

LEGISLATIVE ANALYST'S OFFICE

Presented to:
Senate Budget and Fiscal Review
Subcommittee No. 1 on Education
Hon. Marty Block, Chair





Budget



May Revision

- Reflects slight year-to-year increase.
- Contains slight reduction in 2014-15 from Governor’s budget.
- Includes a few technical adjustments.
 - Adjusts funding for the three stages of California Work Opportunity and Responsibility to Kids (CalWORKs) child care to reflect revised caseload estimates and higher average cost of care.
 - Updates federal fund estimates and removes additional General Fund no longer needed to backfill federal sequestration cuts.

Child Care and Preschool Budget						
<i>(Dollars in Millions)</i>						
	2012-13 Actual	2013-14 Revised	2014-15		Change From January	
			January	May	Amount	Percent
Expenditures						
CalWORKs Child Care						
Stage 1	\$289	\$337	\$385	\$371	-\$14	-4%
Stage 2 ^a	419	367 ^b	364	349	-16	-4
Stage 3	162	202 ^b	186	216	30	16
Subtotals	(\$870)	(\$906)	(\$935)	(\$936)	(—)	(—)
Non-CalWORKs Child Care						
General Child Care	\$465	\$466 ^b	\$479	\$468	-\$11	-2%
Alternative Payment	174	177 ^b	179	175	-4	-2
Other child care	28	28 ^b	28	28	-1	-2
Subtotals	(\$666)	(\$671)	(\$687)	(\$671)	(-\$15)	(-2%)
Support Programs	\$76	\$74	\$73	\$73	—	—
Totals	\$1,612	\$1,651	\$1,695	\$1,680	-\$15	-1%
Funding						
State Non-Proposition 98 General Fund	\$779	\$798	\$784	\$755	-\$29	-4%
Other state funds	14	—	—	—	—	—
Federal CCDF	549	541	556	570	14	3
Federal TANF	372	313	355	355	—	—
State Preschool (Proposition 98)	\$481	\$507	\$509	\$509	—	—

^a Does not include \$9.2 million provided to community colleges for Stage 2 child care.
^b Totals reflect midyear funding shifts to augment Stage 2 by \$9.4 million and Stage 3 by \$19.1 million.
 CCDF = Child Care and Development Fund and TANF = Temporary Assistance for Needy Families.



Slots



May Revision

- Reflects small year-to-year increase.
- Decreases slots slightly in 2014-15 from Governor’s budget.
 - Changes primarily due to revised caseload estimates for CalWORKs programs and statutory growth adjustments for other programs.

Child Care and Preschool Slots^a						
	2012-13	2013-14 Revised	2014-15		Change From January	
			January	May	Amount	Percent
CalWORKs Stage 1	34,849	37,774	42,719	41,787	-932	-2%
CalWORKs Stage 2 ^b	63,379	54,080	55,943	51,956	-3,987	-7
CalWORKs Stage 3	25,448	31,674	30,830	34,563	3,733	12
Subtotals	(123,676)	(123,528)	(129,492)	(128,306)	(-1,186)	(-1%)
General Child Care	46,036	46,126	47,429	46,360	-1,068	-2%
Alternative Payment	24,854	26,218	26,515	25,962	-553	-2
Migrant	2,491	2,534	2,567	2,509	-59	-2
Handicapped	143	144	145	145	—	—
Subtotals	(73,524)	(75,731)	(76,656)	(74,976)	(-1,680)	(-2%)
Total Child Care	197,200	199,259	206,148	203,282	-2,866	-1%
State Preschool	129,511	136,182	137,093	137,189	96	—

^a Reflects average monthly slots.
^b Does not include 1,781 Stage 2 community college Child Care slots.