Governor’s Proposed Budget Fiscal Year 2017-2018

Highlights that the rate of revenue growth is slower than previously expected, would result in close to a $1.6 B deficit this year

What it Does to Child Care

- Paused the promise of 10% increase for SRR. Reflects only an annualized 5% increase for SRR. RMR is at the 75th percentile of the 2014 RMR
- No Cost of Living Allowance for non-Prop 98 child care, nor for state pre-school
- Modest increase in cost per case and caseloads for CalWORKS Stage 2 and 3 child care
- Does not budget 2959 State Preschool slots that were to become available in April 2018

Pauses = Not Spending:

- $121.4 million from General Fund
- $105.4 in Prop 98 Funds

What it NEEDS to Do

Stabilize Child Care Programs

- Honor the agreement to increase the RMR and the SRR to meet the minimum wage increases and cost of doing business
- Fully fund the 2016-17 Budget Agreement increase of 10% to the SRR effective July 1, 2017

Support Children’s Development & Allow Families to Work

- Increase funds for the General Child Care and AP programs to alleviate the desperate shortage of quality child care for infants and toddlers, parents with nontraditional work schedules, and children with disabilities.
- Implement 12-month eligibility periods for families who receive child care subsidies or who are in state-contracted child care centers.
- Update the eligibility guidelines for all families to reflect the current SMI, and increase the exit eligibility level to 85% of current SMI, to ensure low-income families keep child care financial assistance, and small minimum wage increments do not render families ineligible.

California Child Care Resource & Referral Network

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