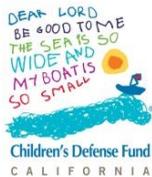




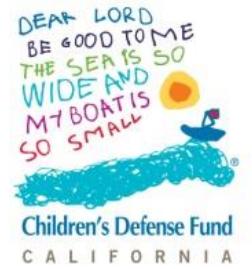
CALIFORNIA CHILDREN AND THE STATE BUDGET

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Children's Defense Fund

A non-profit child advocacy organization that has worked relentlessly for 40 years to ensure a level playing field for all children.



www.cdfca.org

Child Poverty in California



- Almost one in four children – 2.2 million – live in poverty
- One in 10 children live in extreme poverty
- Children of color are disproportionately poor – 1 in 3 black and Latino children live in poverty
- Children under age 6 are the poorest age group

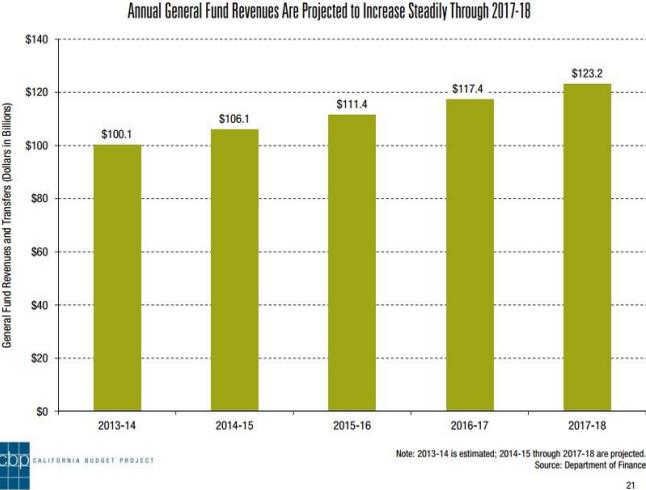
Deep Cuts to Children's Programs Since 2008

- CalWORKs: \$4 billion
- Medi-Cal: \$3.6 billion
- Child care: \$1 billion



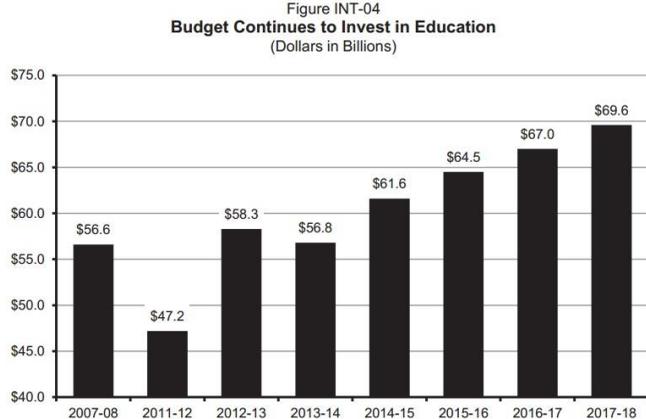
Governor's 2014-15 Budget Proposal

- Revenues \$6.3 billion higher than anticipated – surpluses forecasted through 2017-18
- Emphasizes paying down debt and building the rainy day fund
- Minimal reinvestment in social safety net



K-12 Education

- Prop. 98 spending increase of \$9.7 billion
- Eliminates \$5.6 billion in debt owed to schools
- Provides \$4.5 billion to continue implementation of the Local Control Funding Formula
- Allocates \$316 million from Prop. 39 revenues for energy efficiency grants to school districts
- Provides \$188 million in one-time funding for emergency facility repairs



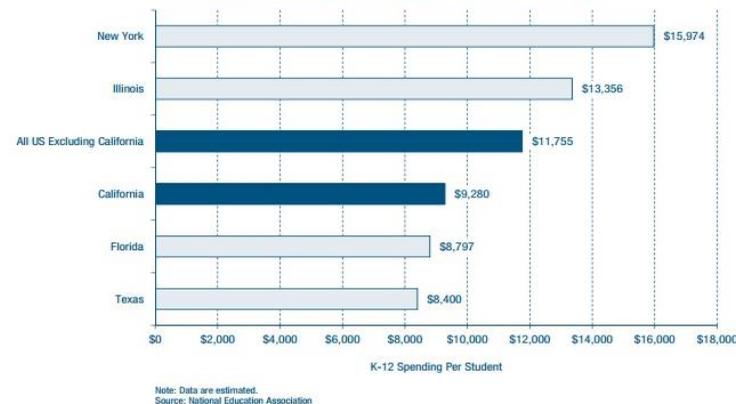
Local Control Funding Formula (LCFF)

- Creates a more rational and equitable school finance system
- Provides more funds for students with greater needs (low-income students, English learners and foster youth)
- Increases local control, giving school districts more options on how to best use funds



Source: California Teachers Association

Figure 3: California Spent Nearly \$2,500 Less Per Student Than the Rest of the US in 2012-13
California Lagged New York and Illinois by Wide Margins, Was Only Slightly Above Other Large States



Community Colleges

- Proposes \$200 million to improve student success programs and close achievement gaps
- Eliminates \$590 million in debt owed to community colleges
- Provides \$175 million in one-time funding for deferred maintenance and instructional equipment
- Provides 3% increase (\$155 million) for enrollment growth

Higher Education

- Proposes increase of \$142 million (5%) each for UC and CSU, with the expectation that funding be used to avoid tuition and fee hikes
- Provides \$107 million for the first year of the Middle Class Scholarship Program
- Proposes \$50 million in one-time funds for grants to encourage higher ed innovation
- Provides \$103 million for increased participation in Cal Grants

Child Care and Early Education

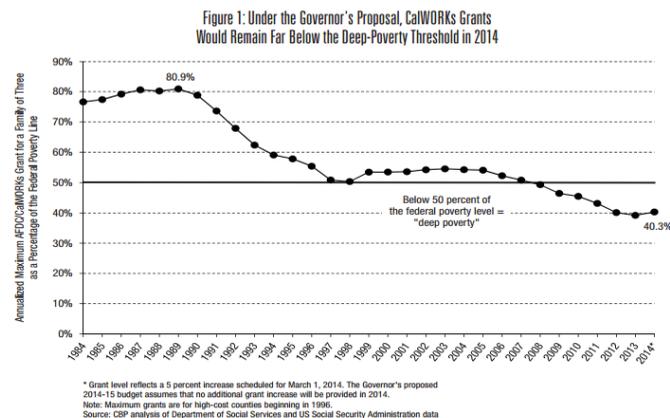
- Funding for child care and preschool has been cut by nearly 40% since 2007, resulting in the elimination of about 110,000 “slots”
- Maintains the prior year’s funding levels for subsidized child care and the state preschool program

CalWORKs

- CalWORKs provides cash assistance and services to low-income families, 1 million children
- Reflects a 5% increase in CalWORKs grants adopted in the 2013-14 budget, but proposes no additional increases
- Cash grants for most families will remain below the 50% of the federal poverty line
- Maintains 24-month limit for parents to receive welfare-to-work services (down from 60 months)
- Proposes a 6-county pilot to provide targeted assistance (licensed child care, work readiness activities) to 2,000 CalWORKs families (\$115 million over 3 yrs)

Health Care

- Reflects the full implementation of federal health care reform in California
 - Medi-Cal expansion for all adults up to 138% FPL
 - Simplification of eligibility & enrollment processes
 - Covered California
- Maintains a 10% cut to payments for Medi-Cal providers, partially rolls back the retroactive portion of the cut
- Provides \$17.5 million (First 5 funds) for dental outreach activities for children age 0-3
- Continues to redirect funding to the state that was previously used by counties to provide health care to uninsured residents



Supplemental Security Income (SSI/SSP)

- SSI/SSP helps the families of 118,000 children with disabilities afford basic necessities
- Maintains past cuts to grant levels and fails to restore cost-of-living adjustment eliminated in 2010
- Maximum grant remains below the poverty line



What's Next



In-Home Supportive Services

- IHSS helps low-income seniors and people with disabilities, including children, live in their own homes, preventing costly out-of-home care
- Reflects a 8% cut to hours implemented in July 2013
- Proposes prohibiting IHSS providers from working overtime, requiring recipients to hire additional providers if they require more than 40 hours per week of care

Additional Resources

- California Budget Project www.cbp.org
- Western Center on Law and Poverty www.wclp.org
- Legislative Analyst's Office www.lao.ca.gov



Fifty years after President Lyndon Johnson declared a War on Poverty, the United States is still not a fair playing field for millions of children afflicted by preventable poverty, hunger, homelessness, sickness, poor education and violence in the world's richest economy.

The greatest threat to America's economic, military and national security comes from no enemy without but from our failure, unique among high income nations, to invest adequately and fairly in the health, education and sound development of all of our young.



Marian Wright Edelman
Founder and President
Children's Defense
Fund

Thank you!

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