



COUNTY OF SAN DIEGO

BOARD OF SUPERVISORS

1600 PACIFIC HIGHWAY, ROOM 335, SAN DIEGO, CALIFORNIA 92101-2470

DATE: November 14, 2001

TO: Board of Supervisors

SUBJECT: **LOSS OF CHILD CARE SUBSIDY FUNDS** (District: All)

SUMMARY:

Overview

On November 16, 1999 (12), Supervisor Dianne Jacob brought forward recommendations urging Governor Davis and the Legislature to reinstate the needed CalWORKs Childcare Stage 3 funding to ensure working families are given the opportunity to succeed.

On October 29, 2001, the California Department of Education (CDE) officially informed counties that Governor Davis will not release funds to provide subsidies for child care to former CalWORKs recipients.

Approval of today's recommendation will authorize the Chief Administrative Officer to draft a letter for the Chairman's signature to Governor Davis stressing San Diego County's concern with this decision and the obvious impacts that it will have on children and families striving to achieve and maintain self-sufficiency.

Recommendation(s)

SUPERVISOR COX AND SUPERVISOR JACOB:

Direct the Chief Administrative Officer to draft a letter for the Chairman's signature to Governor Davis and members of the San Diego delegation stressing this Board of Supervisors' concern with the Governor's decision to discontinue CalWORKs Childcare Stage 3 funding and urging them to take the necessary actions to assure continued CalWORKs, Stage 3 funding for families striving to achieve and maintain self-sufficiency.

BACKGROUND:

When President Clinton signed welfare reform into law in 1996, there were approximately 63,000 welfare cases in San Diego County. Through a variety of supportive programs, training and job placement strategies, the number of welfare cases in San Diego County has steadily declined. As of September 2001, there are 26,280 families still receiving public assistance under CalWORKs. This is an overall decrease of 58% in just five years!

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When the specific policies of welfare reform were announced, the two major barriers identified for successful welfare reform were the availability of affordable childcare and transportation. Childcare subsidies were made available to families working towards self-sufficiency and these subsidies have assisted many families in making the successful transition from public assistance.

On October 29, 2001, the California Department of Education (CDE) officially informed counties that Governor Davis will not release funds to provide subsidies for childcare to former CalWORKs recipients. It is anticipated that an average of 180 children in 100 families per month will lose childcare assistance beginning in the month of February 2002. A total of 890 children, or approximately 470 families will be impacted by the end of the fiscal year.

The Governor's new policy is not only shortsighted, it is potentially devastating to the self-sufficiency of tens of thousands of families in California who have made the successful transition from welfare to work. According to the California Childcare Resource & Referral Network, childcare costs \$6,500 a year on average for a toddler enrolled in a full-time, licensed center. For many families where the parent earns minimum wage, childcare costs can add up to more than 50% of their income.

Families impacted by this change will be notified by the County and invited to attend an open meeting with the hope that other resources in the community will offer alternatives. However, when families lose their childcare assistance in February 2002, many may be forced to return to welfare.

As Supervisor Jacob stated in May 1999, "Adequate funding for these families and other working poor families should be a State priority. The change in funding should be gradual and based on increasing income as a result of employment."

We urge your support for this issue that is so critical to San Diego families and the success of welfare reform.

Respectfully submitted,

GREG COX
Supervisor, First District

DIANNE JACOB
Supervisor, Second District

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AGENDA ITEM INFORMATION SHEET
(continued)

PREVIOUS RELEVANT BOARD ACTIONS:

BOARD POLICIES APPLICABLE:

BOARD POLICY STATEMENTS:

CONTRACT NUMBER(S):

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FISCAL IMPACT STATEMENT

DEPARTMENT:

PROGRAM:

PROPOSAL:

FUTURE YEARS ESTIMATED BUDGET OF PROPOSAL IF ADOPTED				
(a)	(b)	(c)	(d)	(e)
Budgeted Amount For Proposal	Proposed Change in Budgeted Amount	Proposed Revised Current Year Budget (a+b)	1st Subsequent Year	2nd Subsequent Year

Direct Cost

Revenue/Other Offset

**NET GENERAL
FUND COST**

Staff Years

Sources of Revenue/Other Offset for Proposed Change and Subsequent Years:

Space-Related Impacts: Will this proposal result in any additional space requirements? Yes N/A

Support/Other Departmental Impacts: Yes N/A

Remarks: Yes N/A