



ON THE CAPITOL DOORSTEP

Independent newsletter on public policy issues affecting young children



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Senate Republicans Stall Budget

After the Assembly passed the budget and left for the scheduled Legislative recess, the Senate took up the Assembly deal but failed to get the required two-thirds vote. After a lot of negotiating and additional votes, only one Republican Senator has voted for the budget leaving it one vote short of passage. There are still ongoing talks over the budget, but positions appear to have solidified and no one knows when the impasse will end.

Because they are legislatively mandated programs, CalWORKs Stage 1 and 2 Child Care payments have been processed and are being paid on their regular schedule. No payments for any other child care and development services are being processed and checks will not be received until about two weeks after the budget is signed. Agencies with signed contracts usually receive 25% of their contract at the beginning of August. A few contractors will continue to fund services with reserves, but most are having to find other ways of continuing operations. Financing comes with additional costs, most of which are reimbursable, but which will reduce the amount of resources available to serve children.

*"I don't really know now what it takes to close it," he said. "I hope they know."
-Governor Schwarzenegger*

The Joint Legislative Budget committee finished crafting a balanced budget on June 29. Because of the composition of the Legislature (and Conference Committee), this budget largely reflected the priorities of Democrats within the constraints of budget resources without raising taxes. In order to meet the two-thirds vote threshold, at least six Republicans in the Assembly and two Republicans in the Senate must vote for the budget. Raising taxes also requires a two-thirds vote of the Legislature and the signature of the Governor. Leaders of both parties met

to negotiate further to agree on a budget that could garner enough votes.

The Assembly budget deal received a 56-23 vote for passage of the budget in the early morning of July 20, including nine Republican votes. This budget provides the minimum amount of funding for public education, shifts \$1.26 billion of public transportation funding to be used to cover other state costs, suspends the CalWORKs cost-of-living adjustment (COLA) for 2007-08, and delays the SSI/SSP COLA for five months. The Assembly budget proposal has an estimated \$103 billion in General Fund expenditures with an available reserve of \$3.4 billion. However, expenditures for 2007-08 still exceed revenues by about \$700 million. The difference comes from funds that are available from prior years. The Assembly then left town for the legislative recess, planning to return on August 20.

The Senate then was the last hurdle for passage of the budget. Senate President *pro Tem* Don Perata discarded a companion tax cut bill that had also passed the Assembly and brought the budget up for a vote in the Senate the next day. No Republicans voted for the budget. Senate Republicans first were concerned about adopting a "truly" balanced budget, one where expenditures for the year do not exceed revenues. They claimed that this was the time to make hard choices since a \$5 billion deficit is expected for next year. Democrats pointed out that the budget was balanced, hard choices had been made, and claimed that Republicans were trying to balance next year's budget this year. As the budget stalemate started to drag out, the Governor identified expenditures that he promised to line-item veto in order to meet the Republicans'

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2007 Legislation

The author's name appears after the bill number. "AB" stands for "Assembly Bill" and indicates that the author is an Assemblymember. Similarly, "SB" stands for "Senate Bill" and indicates that the author is a Senator.

To find out more about a bill, contact the consultant whose name appears after the bill description, or the sponsor (if any). Bills and analyses may be downloaded from the web at <www.leginfo.ca.gov/bilinfo.html>. Copies of bills may also be obtained from your legislator's district office or the Legislative Bill Room, (916) 445-2323.

Budget Trailer Bills

SB 80 • Budget and Fiscal Review Education Budget Trailer

This bill would require schools to meet increased nutritional requirements for meals in order to receive funding for meal subsidies and would encourage child care facilities to meet those requirements. It would extend the American Indian Early Childhood Education Program through January 1, 2009. The bill would require limited-English-proficient students in kindergarten and first grade to be assessed in English listening, speaking, and early literacy skills (conforming to federal requirements). Contains other provisions. Urgency measure.

Last amended: 7/19/07

Consultant: Leonor Ehling (916) 319-2099

Status: Senate Concurrence

SB 84 • Budget and Fiscal Review Human Services Budget Trailer

This bill would require the Department of Education to conduct a study to establish best statewide practices for the prevention, detection, identification, and investigation of improper payments in all subsidized child care programs. It would suspend the trigger for increasing visits to community care facilities based on an increase in the number of total citations. The bill would require the De-

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partment of Social Services (DSS) to develop appropriate indicators with stakeholders to trigger an increase in licensing visits by February 1, 2008. It would suspend the CalWORKs cost-of-living adjustment for 2007-08. The bill would require DSS to review CalWORKs county plans to identify promising practices in the areas of upfront engagement and re-engagement to assist families in overcoming barriers to work and increase participation in work. It would require the department to address issues related to sanctioned and time-limited families in the program. The bill would require DSS to provide options to increase CalWORKs parents' participation in work, including ways that promote family stability and provide counties training and technical assistance. It would change the effective date for the state portion of the SSI/SSP cost-of-living adjustment from January 1 to June 1. The bill would provide a 5% rate increase for foster family home base rates, specialized care increments, group home rates, Adoption Assistance Program cases, and all Kin-GAP and Emergency Assistance cases. It would increase the maximum reimbursement amount in the Private Adoption Assistance Reimbursement Program to \$10,000, effective February 1, 2008. The bill would revise the funding for children who receive an AFDC-FC benefit and who are regional center consumers. Contains other provisions. Urgency measure.
Last amended: 7/19/07
Consultant: Nicole Vazquez (916) 319-2099
Status: Senate Concurrence

Child Care and Preschool

AB 757 • Committee on Public Employees, Retirement and Social Security

Teacher Retirement: Preschool

This bill would extend eligibility to the Defined Benefit Program, board participation and participation on the boards of school districts that include bilingual or special education classes to prekindergarten instructors. The bill contains other technical provisions.
Sponsor: California State Teachers Retirement System (916) 229-3730
Last amended: 7/5/07
Consultant: Karon Green (916) 319-3957
Status: Senate Floor

Child Protection and Child Abuse Prevention

AB 1509 • Spitzer

Continuous Abuse of Child: Parole

This bill would restrict sex offenders who have committed crimes against a minor in a recurring pattern to living at least 35 miles from the residence of a victim or witness.
Last amended: 7/11/07

Consultant: Joe Patterson 319-2071

Status: Senate Floor

Education

AB 216 • Bass

Nonpublic Nonsectarian Special Education Materials

This bill would relax curriculum requirements for nonpublic schools. It would only require that a nonpublic school provide standards-based core curriculum and instructional materials, consistent with each student's individualized education plan for Kindergarten through eighth grade. For grades nine through 12, it would require the school to use the standards-based, curriculum and materials of any Local Educational Agency that contracts with it.

Last amended: 6/21/07

Consultant: Sara Takahama (916) 319-2047

Status: Senate Floor

AB 252 • Coto

Language Tests for Dual Immersion Programs

This bill would allow native English speaking pupils enrolled in dual language immersion programs to take a proficiency test in the language they are acquiring.

Sponsor: Superintendent of Public Instruction (916) 319-0558

Last amended: 6/21/07

Consultant: Armando Chavez (916) 319-2023

Status: Senate Floor

AB 925 • Hancock

Adequate Yearly Progress: Proficiency

This bill would request the Board of Regents of the University of California to direct the National Center for Research on Evaluation, Standards, and Student Testing in the Graduate School of Education and Information Studies of the University of California, Los Angeles to conduct a study of the meaning of "proficiency" in the federal No Child Left Behind (NCLB) Act and the state Public Schools Accountability Act (PSAA), and of the effects of that meaning on California pupil success. It would require the study to include a state by state comparison, information on those pupils deemed proficient in other states, and the probability of every pupil in those states achieving a proficient level of performance by 2014 as required by NCLB.

Sponsor: California School Boards Association (916) 325-4020 ext. 15

Last amended: 6/26/07

Consultant: Rebecca Baumann 319-2014

Hearing: Senate Appropriations 8/20

AB 1177 • Solorio

Accelerated English Acquisition and Literacy Pilot

This bill would establish a pilot program for

school districts with more than 50 percent English learner students that would provide a maximum of 50,000 students in the first through eighth grades with English learning materials specifically designed for English learners with little or no knowledge of the language. This program would run from 2010 until 2015.

Sponsor: Californians Together Coalition (916) 395-2616

Last amended: 8/1/07

Consultant: Ed Kersten (916)

Hearing: Senate Appropriations 8/20

AB 1281 • Soto

Charter Schools: Students with Disabilities

This bill would require charter school petitions to develop and describe a plan for serving students with disabilities, demonstrate an understanding of their rights and follow due process when expelling or suspending them.

Sponsor: California School Boards Association (916) 325-4020

Last amended: 4/24/07

Consultant: Janet Luna (916) 319-2061

Hearing: Senate Appropriations 8/20

AB 1454 • Richardson

Periodic Review of Content Standards

This bill would require the Superintendent of Public Instruction to appoint a content standards review panel for English language arts and mathematics two years prior to the adoption of the curriculum framework for each subject area.

Last amended: 6/1/07

Consultant: Tracy Holdt (916) 319-2055

Status: Senate Education Suspense

AJR 23 • Hancock

No Child Left Behind

This bill would urge Congress to increase states' flexibility in implementation of the No Child Left Behind Act and to fully fund mandates associated with the act.

Sponsor: California School Boards Association (916) 325-4020 ext. 15

Last amended: 7/18/07

Consultant: Rebecca Baumann 319-2014

Status: Senate Floor

SB 533 • Yee

Pupil Immunizations

This bill would add pneumococcus to the list of diseases for which children are required to receive vaccinations in order to enter child care centers or public schools. This bill would also direct the State Public Health Officer, in consultation with the California Conference of Local Health Officers, to create and maintain a list of diseases for which immunizations shall be required and the proper doses based on recommendations by the federal Advisory Committee on Immunization Practices, the American Academy of Pediatricians, the American Academy of Family Physicians and

other Public Health Officers.

Last amended: 7/18/07

Consultant: Caliph Assagai (916) 651-4008

Hearing: *Assembly Appropriations 8/22*

SB 676 • Ridley-Thomas Required Immunizations

This bill would add pertussis to the list of immunizations children are required to receive in order to enter child care centers or public schools. This bill would also direct the State Public Health Officer, in consultation with the California Conference of Local Health Officers, to create and maintain a list of diseases for which immunizations shall be required as well as the specific doses based on recommendations by the federal Advisory Committee on Immunization Practices, the American Academy of Pediatricians, the American Academy of Family Physicians and other Public Health Officers. It would also require immunization against pertussis prior to entering the 7th grade.

Last amended: 7/18/2007

Consultant: Vince Marchand 651-4026

Hearing: *Assembly Appropriations 8/22*

SB 777 • Kuehl

Discrimination: Student Civil Rights Act

This bill would revise the current list of prohibited bases of discrimination enumerated in the Education Code, so that they are consistent with the protected characteristics contained in the definition of hate crimes in the Penal Code.

Sponsor: Equality California (916) 554-7681

Last amended: 7/3/07

Consultant: Jennifer Richard (916) 651-4023

Status: *Assembly Floor*

Health, Mental Health and Disabilities

AB 1472 • Leno

California Healthy Places Act

This bill would enact the California Healthy Places Act of 2008. It would require the director of the Department of Public Health to establish an interagency working group to identify and evaluate existing environmental health factors related to children's health and make recommendations for improvement.

Sponsors: California Pan Ethnic Health Network (510) 832-1160, Latino Issues Forum (415) 547-9124 Human Impact Partners (510) 684-1794

Last amended: 7/18/07

Consultant: Liz Mooney 319-2013

Hearing: *Senate Appropriations 8/20*

AB 1642 • Hancock

Medi-Cal: California Children Services

This bill would allow noncontract hospital affiliates of nonprofit health care service plans that conform to California Children's Services

(CCS) program standards to receive Medi-Cal reimbursement. Urgency Measure

Sponsor: Kaiser Permanente (916) 448-9875

Last amended: 4/9/07

Consultant: Danielle Moore 319-2014

Status: *Senate Floor*

AB 1687 • Brownley

Confidential Medical Information: Care of a Minor

This bill would allow health care providers to share medical and mental health information with a county social worker, a probation officer, legal custodian or caregiver when necessary to coordinate the health care services and medical treatment of a dependent child.

Sponsors: Los Angeles County District Attorney's Office (916) 442-0668 and Los Angeles County Sheriff's Department (323) 240-5696

Last amended: 7/17/07

Consultant: Stephanie Burri 319-2041

Hearing: *Senate Appropriations 8/20*

SB 727 • Kuehl

Paid Family Leave Expansion

This bill would expand the Family Temporary Disability Insurance (FTDI) program to allow employees to take paid leave to take care of grandparents, grandchildren, siblings, and parents-in-law. It would also clarify existing law to ensure that FTDI leave is taken concurrently with the California's Family Rights Act and Family Medical Leave Act.

Sponsors: Commission on the Status of Women (916) 322-9462, Equal Rights Advocates (415) 621-0672, and the Employment Law Center at the Legal Aid Society (415) 864-8848

Last amended: 6/5/07

Consultant: 651-4023

Hearing: *Assembly Appropriations 8/22*

Public Assistance and Foster Care

AB 273 • Jones

Health and Dental Assessments for Foster Children

This bill would require that foster children receive Child Health and Disability Prevention program health assessments and oral health services. It would also require the county welfare department to submit a report verifying that assistance in understanding the child's health care needs, as well as locating health care providers who will be able to meet those needs has been provided to the child. It would further require the Department of Health Care Service to extend Medi-Cal benefits to independent foster care adolescents until the child turns 21 years old.

Sponsor: Children's Advocacy Institute (916) 444-3875

Last amended: 6/1/07

Consultant: Sonja Palladino 319-2009

Status: *Senate Appropriations*

AB 340 • Hancock

Unified Resource Family Approval Process

This bill would establish a pilot project in five counties selected by the Department of Social Services to streamline the approval process for new, incoming adoptive families by reducing redundant requirements and viewing potential caregivers in the context of their ability to care for a child.

Sponsor: County Welfare Directors Association of California (916) 443-1749, ext 13

Last amended: 8/1/07

Consultant: Marla Cowan 319-2014

Hearing: *Senate Appropriations 8/20*

AB 612 • Ruskin

Child Custody Investigations

This bill would prohibit the use of unrecognized syndromes in child custody investigations and allow a child custody evaluator to freely interview parents and children, observe parent-child interactions, and perform other relevant evaluations consistent with ethical and professional standards.

Last amended: 7/17/07

Consultant: Valerie Brown (916) 319-2021

Status: *Senate Floor*

AJR 4 • Beall

CalWORKs/Child Support Fees

This bill would request the United States Congress to repeal or amend the child support collection provisions and work participation rules of the Deficit Reduction Act of 2005 affecting CalWORKs recipients.

Last amended: 6/6/07

Consultant: Casey McKeever (916) 319-2287

Status: *Senate Floor*

SB 42 • Torlakson

CalWORKs Recipients' Enrollment in Higher Education

This bill would allow CalWORKs applicants who have applied for a training or higher education program, but have not yet been accepted, to count their participation as a work activity.

Introduced: 12/21/06

Consultant: Autumn Ogden 651-4007

Status: *Assembly Appropriations Suspense*

Other

AB 650 • Lieu

Earned Income Tax Credit Notification

This bill would require that employers notify their employees that they may be eligible for the federal Earned Income Tax Credit.

Last amended: 7/3/07

Consultant: Dan Okenfuss 319-2053

State-Contracted Funds Returned

Contending that state-funded child care and development programs are very complex, a recent report by Kidango on returned child care and development contract funds states that complexity often results in returning funds to the state. This report provides additional insight into the issue of unspent funds also addressed by an April report by the Child Development Division of the California Department of Education.

As did the earlier report, the Kidango report cites facilities issues as a major contributing factor to agencies not earning their contracts. If the current space becomes unavailable or no longer meets licensing standards, it can be difficult to locate suitable new space and the process of meeting licensing standards takes time. If a program has to close while locating new space, families will need to locate alternative care and may not return even if a program reopens. New programs, of course, face the same challenges of locating space and meeting licensing standards.

Finding qualified employees to appropriately staff state-contracted programs also presents challenges. These programs must meet Title 5 standards for staff qualifications and ratios. The demands of the job combined with the typically low wages (which are restricted by the state reimbursement rate) can make meeting the staffing requirements difficult.

The standard reimbursement rate which all state-contracted centers receive is also a factor, especially in high-cost counties such as Alameda, which Kidango uses as an example. The Regional Market Rate in these counties, which is the rate that Alternative Payment Programs pay for private care, exceeds the Standard Reimbursement Rate - sometimes by substantial amounts (\$50.81 per child per day versus \$32.89 in Alameda County). If a state-contracted program in these counties can serve a voucher-funded child rather than one under their state contract, they are better off financially even though that may mean that they return funds from their contract.

The state provides child care and development services to low-income families through both state-contracted facilities

and vouchers for private programs. The state-contracted programs must meet lower staff ratios, higher staff education requirements, and evaluate the program using desired results, among other requirements that private programs are not required to meet. In counties where the market rate is higher than the Standard Reimbursement Rate, state-contracted programs are required to provide a higher quality of services and comply with more requirements while receiving less funding.

Kidango found there is some competition for providing child care and development services to low-income children. Alternative Payment Programs provide significant flexibility for families who need care and many of those programs are operated by the same agencies that administer Resource and Referral Programs. Parents do not always get information about state-contracted programs and what advantages there may be for using those programs. For school-age care, the After School Education and Safety Programs have expanded significantly. Although they provide limited services and have lower requirements than state-contracted programs, parents may not understand the differences even though the fees for the After School Education and Safety Programs are significantly less. Finally, when demographics change in a community, there may be fewer eligible families to be served by the established state-contracted programs.

The recently developed Centralized Eligibility List provides one list in each county of children that may meet eligibility requirements but are currently not served. However, the list does not include additional information such as the type of care needed or desired and the families' updated eligibility status. Having one list in each county helps prevent duplication and may facilitate serving the lowest income families first. However, state-contracted programs find that they have to make many more contacts in order to find an eligible child that wants to enroll in their program. Families from the centralized list may not be interested in their program

or they may no longer be the lowest income. The implementation of the Centralized Eligibility List has increased delays in serving eligible children and families and thus contributes to programs not earning their full contract.

The Kidango report also includes discussions regarding finding eligible families in high cost counties that meet the statewide eligibility criteria, communities' changing demographics, difficulties in properly managing contracts, and department policies that permanently adjust contracts that do not fully earn their contracts which may prevent them from making changes that would allow them to fully earn their contract in the future. All of these factors contribute to programs not earning their contracts and returning funding to the state. The state traditionally uses returned funds to repair and renovate centers serving subsidized children and the authors note that these funds are critical to maintaining the operation of many programs and care for the children that they serve.

Kidango makes the following recommendations to help programs retain funding:

- All reimbursement rates should be the same based on the market rates or the standard reimbursement rate, whichever is higher plus the additional cost of doing business with the state.
- The Child Development Division should provide training by experienced program directors and fiscal managers to agencies needing assistance.
- School districts should be required to provide space to programs as a priority and at rates that cover the district's direct costs.
- Programs should be able to meet local program needs by providing part or full day services without regard to the name of the funding stream.
- Resource and Referral and Alternative Payment Programs should provide educational information on the value of preschool for children.
- General Child Care school-age programs should operate in the summer and during vacation periods for eli-

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California's Children Need Healthy Families

The State Children's Health Insurance Program (SCHIP), called Healthy Families in California, will expire on September 30 if it is not reauthorized and approved in the federal budget. Created in 1997, the program provides health coverage for children in families who cannot afford private insurance but whose income makes them ineligible for Medi-Cal. It is funded with both federal (about 70%) and state monies and currently covers 800,000 children in California, 6.6 million in the U.S. Despite the assistance provided by SCHIP and other children's health insurance programs, including the Early and Periodic Screening and Diagnosis and Treatment program, 800,000 children remain uninsured in California, eight million nationwide.

At \$25 billion, authors of a 2007 public health insurance study called current federal funding of SCHIP "inadequate," requiring contributions from state sources. California currently receives \$800 million in federal SCHIP funding a year and spends \$1.3 billion. Children and health care advocates support the House of Representatives' proposal for a \$47 billion increase over the next five years, but the U.S. Senate bill funds the program at \$36.4 billion. Both bills would raise the federal excise tax on cigarettes to pay the extra cost. President Bush is seeking only an additional \$5 billion over the next five years and proposes to lower eligibility to families earning 200 percent of the federal poverty level, a move advocates said will leave 200,000 California children uninsured. The California HealthCare Foundation predicted that nearly one million children would lose coverage under the president's proposal by 2012. The Foundation's report on children's health insurance programs can be read

at <http://www.chcf.org/documents/policy/ChildrensHealthInsuranceProgramsFactsFigures.pdf>.

The House and Senate still need to negotiate a compromise proposal and the president, calling the Senate proposal a "massive expansion of the federal role" in health care financed by "a huge tax increase," has already stated that he will not sign either proposal, so Congress may need to secure a two-thirds majority in both houses in order to pass a bill. The Senate has the required count to override the veto for their bill, but it is unclear if Congress will be able to maintain that

"There is a very real danger (of failure to reauthorize SCHIP)."

majority on a compromise. "There is a very real danger (that the SCHIP will not be reauthorized before the deadline)," according to Ron Spingarn of the California Managed Risk Medical Insurance Board. "If SCHIP is not reauthorized, we don't know what the impact will be, but the state has enough funding to last until March '08," he said. "If some deal were struck, (between the President and the Congress), hundreds of thousands of (California) children will be affected." Spingarn added, "We would need a significant increase just to maintain the current enrollment at 200% (of the federal poverty level)." The California HealthCare Foundation reported the state would need an additional \$60 billion. Their report, *Funding California's SCHIP Coverage: What will it Cost?* can be viewed at <http://www.mrmib.ca.gov/MRMIB/>

[HFP/SCHIP_Paper_Final.pdf](http://www.chcf.org/documents/policy/ChildrensHealthInsuranceProgramsFactsFigures.pdf).

Last November, a coalition of groups supporting universal coverage for children held a Capitol news conference to ask Governor Schwarzenegger to fulfill his promise to cover California's uninsured children. "Every year these children go without health coverage, they risk falling behind in school," said Deena Lahn, policy director for the Children's Defense Fund in California. "A year in a child's life is a long time, and children just can't wait any longer." The Governor responded that he would "definitely" be able to cover all of the state's children in this budget year. The coalition's website, which includes the Governor's record on children's health insurance can be found at www.fulfillthepledge.org.

The Legislature recently a resolution asking California Congressmembers to ensure SCHIP reauthorization. The Senate Health Committee said the program has been "enormously helpful in ensuring that children who are uninsured and are ineligible for Medicaid receive health insurance coverage."

Kristen Golden-Testa of the Children's Partnership, also a member of the coalition, said she is very concerned about the impact on California's children if an SCHIP bill is not passed on time. "We hope the Congress does stand by children and reauthorizes SCHIP. We hope it will not only be a strong bill, but a timely bill." Golden-Testa said, "The president's proposal is woefully insufficient." She said the Gingrich-controlled Congress originally passed the program. "It's been such a successful and bipartisan program, so the president is a little isolated in his objection to moving forward with the proposal." What will the impact be to California's children if the federal government fails to pass SCHIP before the deadline? "Children will lose health insurance." Golden-Testa estimated that the state would lose about \$1 billion. "Children will lose coverage despite all the great efforts of the Governor and the Legislature."

View the SCHIP website at <http://www.cms.hhs.gov/home/schip.asp>

Small Rate Increases for OTCD Publications

Beginning in September, the cost of OTCD publications will increase by a modest amount. The Newsletter subscription rate will increase from \$95/year to \$100/year. Six-month subscriptions for both the Newsletter and Legislative Update on Child Development will increase to \$55 and new subscriptions (for six-months) will increase to \$50. Subscriptions can be extended for an additional year at the current rates before the end of September.

BUDGET STALLS

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demands of a balanced budget.

During negotiations, Senate Republicans also stated their concern about litigation by Attorney General Jerry Brown. The Attorney General is pressuring counties to consider the impact of greenhouse gas emissions when planning for new development, including a lawsuit against San Bernardino County to block adoption of a 25-year master plan meant to guide growth. Republicans would like to prohibit the Attorney General from filing such suits against local governments and threatened to block passage of the budget unless such legislation is included in the deal. The Senate then did bring the budget back up for a vote on August 1. Only one Republican Senator, Abel Maldonado, broke ranks and voted for the budget.

While the actions of the Attorney General are not directly related to the budget, this is one of the only times that Republicans can ensure that their voices will be heard. The state needs a budget and with the vote requirement, Republicans can place conditions on their votes. Senate Republicans have decided that this issue is important enough to them to delay passage of the budget until they receive concessions. Governor Schwarzenegger is calling for passage of the Assembly budget proposal. The Governor is sympathetic

to their concerns, but feels the budget is not the appropriate place for that discussion. "I don't really know now what it takes to close it," Schwarzenegger said. "I hope they know."

Because the state does not have an adopted budget, the state Controller does not have the authority to issue checks for many state functions, including child care and development services. Republicans have said they are willing to pass interim measures that provide continued funding for essential services, but Democrats seem to oppose that approach as it removes the pressure to agree on a complete spending plan.

Democratic leaders have said that if the budget remains unresolved until the Assembly returns on August 20, that the budget concessions in the Assembly spending plan will be withdrawn and that the whole budget will have to be reopened. They have also threatened to stop work on other legislation until the budget impasse is broken. The rift on the budget exposes differences that might make moving forward on policy issues such as health care reform difficult but may also reduce the amount of time remaining for serious discussion and compromise on those issues as well.

This is already the third longest budget deadlock with no end in sight. The continuing imbalance between revenues

and expenditures has meant cuts to services for children and families for several years. However, this year state services are beginning to suffer just from the budget delay. The state faces continuing deficits in the next few years that likely will result in additional cuts in services. The state needs additional revenue or other changes to the budget to make positive investments in California's children and families.

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gible children who attend After School Education and Safety Programs during the school year.

- Seamless funding should occur between programs so that children can receive care and education in a manner that best suits the families' needs while making certain that children attend a preschool program before entering kindergarten.
- Regulations should be seamless whenever possible.

The full report from Kidango is available on the web site, <www.earlyeducation.org>. The Child Development Division Report on the issue of unspent funding is available there and on the OTCD web site, <www.otcdkids.com>.

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On The Capitol Doorstep

717 K Street #304
Sacramento, CA 95814

P. Alex Cooke, Publisher
Alicia Dienst, Editor

When my kids become wild and unruly, I use a nice, safe playpen. When they're finished, I climb out.
- Erma Bombeck