



# CHILD CARE LAW CENTER

221 PINE STREET | 3RD FLOOR | SAN FRANCISCO, CA 94104 | V 415.394.7144 | F 415.394.7140  
WWW.CHILDCARELAW.ORG | INFO@CHILDCARELAW.ORG

July 8, 2005

## **CCLC Summary of Budget and Trailer Bill (SB68)**

This is a preliminary analysis based on information currently available and the budget trailer bill SB68 which was passed on 7/7/05. We will provide a more complete analysis once the budget has been signed by the Governor.

Overall, most of the Governor's child care proposals were not included in the final budget and trailer bills. This is a tribute the Legislative Leadership, the Women's Caucus and the many child care advocates who opposed restructuring and reductions to the child care system. There must be continuing discussion of numerous issues, including a final resolution of how rates are set for providers in our lowest income communities.

While we are relieved regarding child care, we are very concerned about the suspension of COLAs for CalWORKs and SSI recipients.

We provide a very abbreviated description of child care budget items below:

1. Licensing and Regulation

The unallocated cut to Child Care Licensing was rescinded.

2. Reducing Reimbursement Rates for License-Exempt Providers

No change was made in reimbursement rates by the budget or trailer bill.

3. Limiting Reimbursement for Licensed Child Care Providers

No change was made in reimbursement rates by the budget or trailer bill.

4. Equitable Rates for Providers Serving Only Subsidized Children

The proposal passed by the budget subcommittee which contained a mechanism for setting rates for providers who serve only subsidized children was not included in the final trailer bill. Instead, the Legislature once again stated its intent to deal with this issue through the statutory process, and suspended CDE's implementing regulations until July 1, 2006. This language was nearly identical to last year's trailer bill language but added the suspension of any related contractual or regulatory provisions.

5. Time Limits and the Effective Elimination of CalWORKs Stage 3

No change was made in Stage 3 eligibility.

6. Budget Year Shift of 11- and 12-Year-Olds to After-School Care

Compromise language was adopted that helps to preserve access to subsidized child care for 11 and 12 year olds, and broadly defines when appropriate after-school care is not available for these children.

- Families can combine participation in after school programs with subsidized child care.

- Parents must now specify that after school programs do not meet their needs. CDE is required to provide standardized, language-appropriate forms for this purpose, and the reasons are broadly defined in the statute.
  - Children who leave the subsidized system for an after school program shall be given priority if they have a need to return to subsidized child care.
  - The section does not apply to children with special needs who retain their eligibility for subsidized child care without the need for parental certification.
7. Re-bench Child Care Eligibility Using the Federal Poverty Level.  
No change was made in determining eligibility; State Median Income remains the benchmark.
  8. Establishment of Centralized Eligibility List  
The county-based CEL was established pursuant to an appropriation. Priorities for subsidy eligibility were not changed.
  9. CalWORKs Grant Cuts  
The cut in cash assistance grants was rescinded; however, COLAs were suspended for two years.