

EARLY CHILDHOOD

Early childhood programs in California serve thousands of children, improving health and quality of life. The high-quality interventions and opportunities these programs provide are supported by a growing body of research that links them to improved outcomes, including higher education levels, better health, and stronger career opportunities.

MASTER PLAN FOR EARLY LEARNING AND CARE

The Budget includes \$5 million one-time General Fund for a long-term strategic plan to provide a roadmap to comprehensive, quality, and affordable child care and preschool for children from birth through age twelve, with particular focus on early childhood. The Master Plan for Early Learning and Care, administered by the Secretary of the Health and Human Services Agency, will build on recent work by the Legislature and the California Department of Education. It will include strategies to address facility capacity, a trained workforce, universal access to preschool, and revenue options to support the Plan. The Plan will reflect the principle of shared responsibility and outline the appropriate role for parents, government, and business in meeting child care and early learning needs. All recommendations for the Master Plan are required to be submitted to the Administration and the Legislature by October 1, 2020.

INCREASING ACCESS TO EARLY LEARNING AND CARE

The Budget includes several new investments to increase access to subsidized child care for low-income families. These proposals expand the number of children in care and provide families receiving CalWORKs subsidies with additional continuity and stability in their access to care. Specifically, the Budget includes:

- A total of \$143.3 million ongoing funds (\$80.5 million Cannabis Fund, \$50 million General Fund, and \$12.8 million federal Child Care and Development Fund) to increase access for more than 9,400 children in the Alternative Payment Program and more than 3,000 children in the General Child Care Program. The \$50 million General Fund is one-time and considered an acceleration of future cannabis revenues.
- \$56.4 million General Fund in 2019-20 and \$70.5 million ongoing General Fund to: (1) fund continuous CalWORKs Stage One child care eligibility for 12 months, (2) provide authorization of Stage One child care on a full-time basis, (3) provide additional allowable program activities for which clients are eligible to receive Stage One child care services, and (4) require implementation of a data sharing system between county welfare departments and child care contractors in the Statewide Automated Welfare System. These changes will provide CalWORKs clients with more consistent access to child care.
- \$10 million ongoing General Fund to increase access to the Emergency Child Care Bridge Program for Foster Children, to bring total program funding to \$41 million ongoing General Fund. The increased funding will be suspended on December 31, 2021. The suspension will be lifted if the Administration determines through the 2021 Budget Act process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years.
- \$157.5 million ongoing General Fund to reflect a caseload increase of almost 14,000 children in CalWORKs Stages 2 and 3 child care, a 13.4-percent increase in these programs.

UNIVERSAL PRESCHOOL

Pre-kindergarten education is the basis for success in K-12 education and beyond. The Budget includes targeted, ongoing investments that put California on the path to universal preschool. Specifically, the Budget provides the following funding and eligibility expansions for state-subsidized preschool:

- \$31.4 million in 2019-20 and \$124.9 million ongoing non-Proposition 98 General Fund to increase access to the State Preschool Program for 10,000 eligible children, through non-local educational agency providers.
- Elimination of the work requirement for eligible families to access the full-day State Preschool Program, with the requirement that working families are prioritized for full-day programs.
- Expanded eligibility for the State Preschool Program for all children who live in a school attendance area where 80 percent or more students qualify for free or reduced price meals.

IMPROVING ACCESS AND QUALITY OF CHILD CARE

To increase the quality and availability of child care, the Budget provides \$460 million one-time General Fund for the following:

- Early Learning and Care Infrastructure Grant Program—\$245 million, plus an additional \$18 million transfer from the Child Care Facilities Revolving Loan Fund, for grants to child care and preschool providers for facilities expansions. The Budget also allows up to 5 percent of this funding to be used for renovation and repairs to address child care and preschool provider health and safety issues. This funding will be allocated over the next four years.
- Early Learning and Care Workforce Development Grant Program—\$195 million for grants for child care and preschool workforce professional development and education to improve the quality of care and provide accessible avenues for child care professionals to move along the early education/child care professional continuum. This funding will be allocated over the next four years.
- Early Learning and Care Data Systems—\$20 million to invest in data systems that integrate statewide provider and recipient information for the state's subsidized early learning and care programs. These data systems will (subject to future legislation) integrate with the Longitudinal Data System discussed in the K-12 Education Chapter, and will provide the state with additional information to inform policy decisions and support the implementation of child care provider organizing.

These proposals include statutory language that allows the Legislature and Administration to make programmatic changes in how funding is disbursed based on

recommendations contained in the Master Plan for Early Learning and Care, to be released by October 1, 2020.

EARLY CHILDHOOD POLICY COUNCIL

The Budget provides \$2.2 million General Fund each year for three years to establish the Early Childhood Policy Council, an advisory body that includes parents, providers, and administrative agencies from the state's system of early learning and care, to provide recommendations to the Legislature and Administration on state early learning and care policy. The Council will make recommendations on the implementation of the Legislature's Blue Ribbon Commission on Early Childhood Education Final Report and the Master Plan for Early Learning and Care and will perform duties previously under the purview of the State Advisory Council for Early Learning and Care, as required by federal law.

FULL-DAY KINDERGARTEN EXPANSION

Kindergarten is not compulsory for children in California, but attendance is beneficial to a child's long-term academic attainment. Research suggests that students attending full-day, high-quality early primary education programs are more school-ready and have better literacy acquisition than students in part-day programs. The Budget includes \$300 million one-time non-Proposition 98 General Fund to construct new or retrofit existing facilities to support full-day kindergarten programs, which will increase participation in kindergarten and address barriers to access.

To target these resources effectively and encourage participation, the Budget: (1) limits program eligibility in 2019-20 and 2020-21 to only those school districts that will convert from part-day to full-day kindergarten programs, (2) provides a 75-percent state share of grant funding for schools converting from part-day to full-day kindergarten programs, and (3) enables school districts to use project savings to fund other activities that reduce barriers to providing full-day kindergarten.

REDUCING CHILDHOOD POVERTY

CALWORKS GRANT INCREASE

The Budget includes \$331.5 million General Fund and federal Temporary Assistance for Needy Families (TANF) block grant funds in 2019-20 and \$441.8 million ongoing General

Fund and federal TANF block grant funds to increase CalWORKs Maximum Aid Payment (MAP) levels, effective October 1, 2019. In high-cost regions, the increase will help ease some of the financial burden on families by bringing a one-person assistance unit's MAP level from 38 percent of the federal poverty level to 52.8 percent of the federal poverty level, and all remaining assistance unit sizes' MAP levels to 49.4 percent of the federal poverty level.

INCREASED SUPPORT FOR LOCAL CHILD SUPPORT AGENCIES

The Budget includes \$19.1 million General Fund in 2019-20, growing to \$57.2 million General Fund beginning in 2021-22, to implement a Local Child Support Agency funding methodology for administrative costs. These resources will create more equitable funding across all local agencies, reducing geographic disparities in funding for child support case management. The additional funding strengthens supports for families with young children by increasing the ability of local agencies to collect and remit child support payments. Upon full implementation, the additional resources are anticipated to increase annual child support collections by hundreds of millions of dollars.

CAL GRANT ACCESS AWARDS FOR STUDENT PARENTS

As discussed in the Higher Education Chapter, to expand opportunities for student-parents, increase their graduation rates, and reduce child poverty, the Budget includes \$96.7 million ongoing General Fund to establish or increase access awards for students with dependent children attending the UC, CSU, or CCCs. Qualifying new or renewal Cal Grant A recipients will receive an access award of up to \$6,000, qualifying new or renewal Cal Grant B recipients will see their access award increase from \$1,648 to \$6,000, and qualifying Cal Grant C recipients will see their book and supply award increase from \$1,094 to \$4,000. These access awards and increased award levels will better enable students with dependent children to meet their families' basic needs and increase their likelihood of degree completion.

EARLY CHILDHOOD HEALTH AND WELLNESS

TRAUMA AND DEVELOPMENTAL SCREENINGS

Research shows that individuals who experienced adverse childhood experiences are at greater risk of heart disease, diabetes, and premature death. Identifying cases of trauma in children and adults and providing treatment can lower long-term health costs and support individual and family wellness and healing.

The Budget includes \$30.8 million ongoing federal funds and \$23.1 million ongoing Proposition 56 funds for developmental screenings for children in the Medi-Cal program and \$27.2 million ongoing federal funds and \$13.6 million ongoing Proposition 56 funds for trauma screenings for children and adults in the Medi-Cal program. In addition, the Budget includes \$25 million federal funds and \$25 million Proposition 56 funds (as part of a total investment of \$120 million one-time combined federal and Proposition 56 funds over three years) to train providers on delivering trauma screenings. The increased funding for these programs will be suspended on December 31, 2021. The suspension will be lifted if the administration determines through the 2021 Budget Act process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years.

HOME VISITING

Nearly one-third of the state's population, and approximately 45 percent of new mothers, receive Medi-Cal benefits. In an effort to bolster early childhood supports and reduce health disparities for low-income families, the Budget proposes investments to link at-risk families to appropriate interventions and services.

The Budget includes \$89.6 million General Fund and federal TANF block grant funds in 2018-19 and approximately \$167 million ongoing for the CalWORKs Home Visiting Program, and expands program eligibility beyond first-time parents. The CalWORKs Home Visiting Program is expected to serve 18,500 cases.

The Budget also includes \$34.8 million ongoing reimbursements and \$30.5 million ongoing General Fund to expand the California Home Visiting Program and the Black Infant Health Program in the Department of Public Health. Of these amounts, \$22.9 million reimbursements and \$23 million General Fund will support expansion of the California Home Visiting Program, including implementation of a wider range of home

visiting models based on varying family needs. The remaining \$11.9 million reimbursements and \$7.5 million General Fund is to increase participation in the Black Infant Health Program, including the California Perinatal Equity Initiative, to improve African-American infant and maternal health through case management services. This funding will allow more families to receive these important services and support development and implementation of more cost-effective models and culturally appropriate services.

PAID FAMILY LEAVE

The Budget takes significant steps towards expanding California's Paid Family Leave program. Beginning July 1, 2020, California's Paid Family Leave program, a component of the State's Disability Insurance program, will allow workers to take up to eight weeks of paid leave annually—two weeks more than current law provides—to bond with a newborn or newly adopted child or to care for a seriously ill family member, with wage replacement of up to 70 percent of salary based on income level. Claimants may also take a full eight weeks to assist a family member during military deployment, pursuant to Chapter 849, Statutes of 2018 (SB 1123) when that bill takes effect on January 1, 2021.

The Paid Family Leave program is funded entirely by employee contributions. The contribution rate is adjusted each year based on a statutory formula designed to collect revenues sufficient to fund benefits and program administration, as well as maintain a reserve to accommodate fluctuations in fund revenue or disbursements. To deliver this expanded benefit with minimal impact on employee contributions, the Budget reduces the minimum reserve in the Disability Insurance Fund to enable the state to make a down payment in expanding Paid Family Leave while still maintaining an adequate reserve. The Administration estimates this new reserve amount will be sufficient to absorb fluctuations in revenues due to future economic downturns as well as increased use of benefits. The reserve rate change is effective beginning July 1, 2019.

To meet the goal that all babies are cared for by a parent or a close relative for up to six months, the Administration has convened a task force of early childhood policy and program leaders, employer groups, labor, and other experts. The task force will consider the latest research on child development and the structure of the Paid Family Leave program. It will meet throughout the remainder of the year to evaluate important policy considerations, such as the alignment of existing worker protections and non-retaliation protections for employees' use of the program, as well as increasing the wage replacement rate for low-wage workers up to 90 percent. By November, the task force will issue recommendations for consideration in the 2020-21 Governor's Budget.

CHILD SAVINGS ACCOUNTS

Child savings accounts are accounts designated for a specific child to build assets over time through contributions from family, friends, government, non-governmental organizations, and/or the child. The accounts are generally opened with an initial contribution, or seed money, from a sponsoring organization. Eligible uses of the accounts are for tuition (normally for post-secondary education such as college, vocational, or technical schools), room and board, books, supplies and equipment, and mandatory fees.

To support and encourage families to build assets for their children's post-secondary education, the Budget includes the following investments:

- Child Savings Account Grant Program—\$25 million one-time General Fund to support grants to local governments and nonprofit organizations that sponsor or create local or regional child savings account programs.
- California Kids Investment and Development Savings Program—\$25 million one-time General Fund to support college savings accounts at the ScholarShare Investment Board for eligible low-income California children born on or after July 1, 2020.