EARLY CHILDHOOD

Providing children in California with a healthy start is one of the best investments the state can make. A growing body of research points to the link between early childhood interventions and improved outcomes years or even decades into the future: higher education levels, better health, and stronger career opportunities. Investing in early childhood enables these outcomes in the future while strengthening families and reducing child poverty immediately. The framework adopted in this budget promotes a healthy start in three ways: (1) early access for children to educational and health care services, including services for those with adverse childhood experiences, (2) a two-generation approach that invests in parents so they can invest more in their children, and (3) easing financial pressures on parents so they can escape the cycle of poverty and focus on healthy development of their kids in those critical first five years of a child's life.

The Budget proposes a comprehensive package that invests in each of these three areas so that more children get the healthy start that prepares them and their families for the years ahead:

- Improving educational access through substantial investments in preschool, kindergarten and child care, and improving access to health care services through developmental screenings and referrals.
- Supporting parents with expanded paid family leave to promote family bonding, increased home-visiting assistance, medical screenings, and student-parent scholarship awards.

- Easing the financial burden on parents with higher CalWORKs grants for low-income parents and expanding access to child savings accounts for kindergartners so their families can build assets and save for their education.

Child Care and Early Learning

Access to high-quality, affordable child care and early learning programs is essential for all families. Parents are more likely to be successful in school and/or career if they know that their children are safe and productively engaged throughout the day. Children who are emotionally, developmentally, and academically supported in a care setting are more likely to start school ready to learn and continue to excel once they are school-aged.

Universal Full-Day Kindergarten

Attendance in kindergarten is beneficial to a child's long-term academic attainment. Unfortunately, many California children—including too many low-income kids and English language learners—do not enroll in kindergarten. A key reason some kids do not enroll in kindergarten is lack of access to a full-day program. A recent Department of Education survey found that 22 percent of school districts, representing more than 1,600 school sites, offer only part-day kindergarten programs. School districts cited a lack of facilities as the main impediment to offering full-day kindergarten.

Building upon the $100 million General Fund provided in the 2018 Budget Act to eligible school districts to construct new or retrofit existing facilities for full-day kindergarten programs, the Budget proposes $750 million one-time non-Proposition 98 General Fund for the same purposes or to fund other activities that reduce barriers to providing full-day kindergarten.

Universal Preschool

Pre-kindergarten education and experiences are the basis for success in K-12 education and beyond. It is a priority of the Administration that all children have access to a high-quality preschool program before they begin kindergarten. Consistent with this priority, the Budget proposes both near-term investments to increase capacity and access, as well as funding to develop a long-term plan to provide universal preschool in California.

As a first step toward universal preschool, the Budget proposes increasing access to the existing State Preschool program for all low-income four-year-olds.

- To provide full-day, full-year access to State Preschool to all eligible low-income four-year-olds, the Budget proposes $124.9 million non-Proposition 98 General Fund and additional investments in the two succeeding fiscal years to fund a total of 200,000 slots by 2021-22. Given limited capacity at local education agencies, the additional slots will be provided by not-for-profit providers.
- To ensure that otherwise eligible four-year-old children can access a full-day, full-year State Preschool program, the Budget eliminates the existing requirement that families with four-year-olds provide proof of parent employment or enrollment in higher education to access the full-day program.
- To allow non-local educational agency providers to draw down full-day, full-year reimbursement from a single funding source, and to provide them with flexibility to make better use of their contract funding, the Budget shifts $297.1 million Proposition 98 General Fund for part-day State Preschool programs at non-local educational agencies to non-Proposition 98 General Fund.

To achieve universal preschool, the Budget proposes funding to develop a long-term plan during the budget year. The plan will outline necessary steps to provide universal preschool in California, including strategies to address facility capacity, to ensure a trained workforce is available, and to identify revenue options to support universal access. The plan may include proposed changes to the transitional kindergarten program given the overlap between that program and universal preschool.

IMPROVING ACCESS AND QUALITY OF SUBSIDIZED CHILD CARE IN CALIFORNIA

To increase the quality and availability of child care, the Budget proposes $500 million one-time General Fund to both (1) expand subsidized child care facilities in the state and (2) make a significant investment in the education of the child care workforce to improve the quality of care and move child care professionals along the early education/child care professional continuum. As discussed in the Higher Education chapter, the Budget also provides $247 million in one-time funds to the California State University that can be used for child care infrastructure for students on college campuses.

To implement a more well-aligned, comprehensive child care system in the state, the Budget proposes funding to develop a long-term strategic plan that will:

- Provide a framework, including options to generate needed revenues, to implement a comprehensive, high-quality child care system in California;

- Outline ways to simplify the subsidized child care system, bring greater cohesion and stability to the system, and increase access to subsidies; and
- Reflect the principle of shared responsibility and outline the appropriate role for government, businesses, and parents in meeting child care needs.

The Budget proposes $10 million General Fund for the State Board of Education, in consultation with the Department of Finance and the Department of Social Services, to contract with a research and analysis entity to develop the road map to provide universal preschool in California, as well as a long-term plan to improve access to and quality of subsidized child care. The plan will be developed during the budget year in consultation with stakeholders and experts.

REDUCING CHILD POVERTY

The Budget takes steps to address the inter-generational cycles of poverty by focusing on the immediate needs of food and housing stability. These include significant investments to reduce child poverty and provide additional supports for low-income parents pursuing employment or higher education.

INCREASE CALWORKS GRANTS TO 50 PERCENT OF THE FEDERAL POVERTY LEVEL

The Budget proposes to increase CalWORKs grant levels by 13.1 percent, effective October 1, 2019, which will bring monthly grant payments to 50 percent of the projected 2019 federal poverty level. For a three-person assistance unit, the maximum monthly grant level will be $888, an increase of $103. The Budget includes $347.6 million General Fund in 2019-20 ($455.4 million General Fund annually thereafter) to fund this grant increase.

The Budget maintains prior grant increases that were partially funded by the Child Poverty Subaccount within 1991 Realignment. Based on current projections, this structure will allow for modest grant increases in 2020-21 and 2021-22.

INCREASED SUPPORT FOR LOCAL CHILD SUPPORT AGENCIES

The Budget proposes an additional $56 million ($36.9 million federal funds and $19.1 million General Fund) for Local Child Support Agency administrative costs. This increase represents the first year of a three-year, phased-in implementation of a new budgeting methodology. These resources 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. The funding will be allocated to 21 counties with relatively lower funding levels, many of which have a high proportion of low-income households.

CAL GRANT ACCESS AWARDS FOR STUDENT PARENTS

Although higher education is a key pathway for individuals to increase their future career options and improve economic status, students with dependent children face increased costs at the same time that their ability to supplement income by working is limited due to the demands of their educational programs. These challenges make it more difficult for student parents to complete degree programs that increase future earnings potential and can end the cycle of multi-generational poverty.

The Budget proposes $121.6 million General Fund to increase or provide new access awards for students with dependent children attending the University of California, the California State University, or the California Community Colleges. New or renewal Cal Grant A students will receive an access award of up to $6,000, new or renewal Cal Grant B students will see their access award increase from $1,648 to $6,000 while Cal Grant C students 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

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 improve screening for adverse childhood experiences (ACEs) and to link at-risk families to appropriate interventions and services.

Research shows that individuals who experienced ACEs are at greater risk of heart disease, diabetes, and premature death. Identifying cases of ACEs or trauma in children and adults and providing treatment can lower long-term health costs.

Additionally, despite gains experienced in California relative to the rest of the nation, significant disparities faced by African-American mothers remain with regard to rates of death from pregnancy-related causes. African-American babies are also twice as likely to be born with a low birth weight. Efforts to increase supportive services for African-American mothers are needed.

The Budget includes funding to better identify these problems early on and refer families to appropriate services.

ADVERSE CHILDHOOD EXPERIENCES (ACES) AND DEVELOPMENTAL SCREENINGS

The Budget proposes $45 million ($22.5 million federal funds and $22.5 million Proposition 56 funds) to the Department of Health Care Services for ACEs screenings for children and adults in the Medi-Cal program. Beginning no sooner than January 1, 2020, this proposal provides ACEs screenings to children and adults under age 65 at least once every three years, and supports increased referrals to appropriate services depending upon screening results. The Department of Health Care Services will work with stakeholders to develop a screening tool for children and will utilize an existing assessment for adults.

The Budget proposes $60 million ($30 million federal funds and $30 million Proposition 56 funds) for the Department of Health Care Services to increase developmental screenings for children. Developmental screenings assess a child's educational, social, and emotional development and are recommended for children at nine months, 18 months, and 30 months of age.

The increased ACEs and developmental screenings are expected to help identify families at risk so that providers can refer them to other services.

HOME VISITING AND BLACK INFANT HEALTH PROGRAMS

Home visiting services for children aged 0-3 that provide interventions to high-risk pregnant and parenting women in California will help improve health outcomes in key areas ranging from low-birth weight and infant mortality to immunizations and language development. Another goal of home visiting programs is to reduce the occurrences of adverse childhood experiences. Therefore, the Budget proposes to expand these services, as described below.

The Budget proposes $78.9 million in a mix of federal funds and General Fund to provide home visiting services to eligible CalWORKs families in 2019-20. Services will be provided to pregnant women and families with a child under the age of two for up to 24 months, with priority given to first-time parents. The services are intended to help young families reach self-sufficiency by improving family engagement practices, supporting healthy development of young children living in poverty, and preparing parents for employment. Participating counties will leverage existing, evidence-based program models currently being implemented across the state. Approximately 15,000 cases will be served on an annual basis beginning in 2020-21.

The Budget proposes $30.5 million General Fund to expand home visiting programs and the Black Infant Health Program in the Department of Public Health. Of this amount, $23 million is for the expansion of home visiting services with a focus on low-income, young mothers and the use of a wider range of home visiting models based on varying family needs. The remaining $7.5 million is to increase participation in the Black Infant Health Program to improve African-American infant and maternal health through case management services, including home visiting. This funding will allow more families to be reached with these important services and support development and implementation of more cost-effective models, as well as more culturally appropriate services.

PAID FAMILY LEAVE

California's Paid Family Leave program currently allows workers to take up to six weeks of paid leave annually to care for a seriously ill family member or to bond with a newborn or newly adopted child, with wage replacement of up to 70 percent of salary based on income level. The program, which is a component of the state's Disability Insurance Program, supports child development in the critical first weeks of life while reducing the need for parents to pay for infant care during that time. It helps children, helps parents, and eases financial pressures on families all at once, making a difference immediately and paying dividends far into the future.

The Administration is committed to expanding the Paid Family Leave program with the goal of ensuring that all newborns and newly adopted babies can be cared for by a parent or a close family member for the first six months.

Public health and economic research shows that providing up to six months of paid parental leave—the norm in most developed countries—leads to positive health and educational outcomes for children, greater economic security for parents, and less strain on finding and affording infant child care. Under California's existing Paid Family Leave program, each parent may take up to six weeks of paid family leave and, under California's Disability Insurance Program, a birth mother may take an additional six weeks of leave to recover from childbirth. This allows two-parent birth families to take total leave for their newborn for up to four months. Non-traditional families—single parents or parents who do not give birth to their children—get less leave. Even with the increase in the wage replacement rate, too many low-income families cannot afford to take leave.

In the short-term, to promote affordability and family bonding, the Administration proposes to adjust the reserve requirement for the fund that supports the Paid Family Leave program. This change will enable the state to make a down payment in expanding Paid Family Leave in the upcoming budget year while maintaining an adequate reserve.

Over the course of the year, the Administration will convene a task force to consider different options to phase-in and expand Paid Family Leave to allow children to be cared for by a parent or a close relative for up to six months. For example, each parent could take up to three months of paid parental leave, and if the child does not have two parents, the parent could designate a close relative to take the second three months of care. In addition to evaluating options to expand the length of leave, the task force will consider options to increase program participation among eligible workers. The taskforce will consider the interactions of any proposed expansion with Chapter 5, Statutes of 2016 (AB 908). AB 908, which took effect on January 1, 2018, increased the disability insurance wage rate from 55 percent to 70 percent for low-income workers, and to 60 percent for all other wage earners up to a specified wage level.

The Administration will take into account the evaluation of the effectiveness of the recent increase in wage replacement in strengthening the ability of low-income families to benefit from the state's Paid Family Leave program. The Administration will also consider other changes—including alignment of existing worker protections and non-retaliation protections—to increase the ability of all workers to access these important benefits.

CHILD SAVINGS ACCOUNTS

Child Savings Accounts are accounts designated for a specific child to build assets over time through contributions from governments, society, family, friends, or the child. The accounts are generally opened with an initial contribution, or seed money, from a sponsoring organization such as a government agency, nonprofit, or philanthropic foundation. 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 Administration proposes $50 million one-time General Fund to support pilot projects and partnerships with First 5 California, local First 5 Commissions, local government, and philanthropy. These pilot programs will support development or strengthening of cost-effective models that can be replicated or expanded to increase access to Child Savings Accounts among incoming kindergartners.