



July 28, 2016

<p>SUBJECT</p> <p>STATE BUDGET AND LEGISLATIVE UPDATE</p> <p>Strategic Priority Area 3. Public Will and Investment: Build public engagement in, investment in, and support of the optimal wellbeing and development of children prenatal through age 5, their families, and communities.</p> <p>Goal 3.2. Legislative Engagement and Leadership: Advocate for and influence policy change, directly, and in partnership with First 5 county commissions and other allies, from the local to federal levels that increases investments to improve conditions for children prenatal through age 5 and their families.</p>	<p><input checked="" type="checkbox"/> Action</p> <p><input type="checkbox"/> Information</p>
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SUMMARY OF THE ISSUE

First 5 California (F5CA) staff will discuss the final outcomes in the 2016–17 Budget Act, with particular emphasis on budget proposals directly related to early childhood issues.

Staff also will discuss final outcomes from the 2nd Extraordinary Session on Health Care, provide an update on legislation the Commission is supporting in the current regular legislative session, and outline F5CA strategies to actively inform and educate the Legislature on F5CA's mission and goals.

RECOMMENDATION

F5CA staff is not requesting action at this time.

BACKGROUND OF KEY ISSUES

LEGISLATION

The Commission's Legislative Advisory Committee (LAC) has new positions on the following state legislation introduced this year, consistent with F5CA's 2016 Children's State Policy Agenda, which is used to analyze all state legislation introduced to date.

Child Health

- AB 1051 (Maienschein) – Denti-Cal Program
- AB 2207 (Wood) – Medi-Cal: Dental Program

Revenue

- AB 1696 (Holden) – Medi-Cal: Tobacco Cessation Services

Strong and Engaged Families

- SB 1014 (Liu) – Pregnant and Parenting Pupils
- SB 1166 (Jackson) – Unlawful Employment Practice: Parental Leave

Attachment A is a list of all state legislation introduced and amended by July 7, 2016, in the two-year regular session and the special session that matched the policy agenda. Bills listed as “Level 1” are legislation determined by staff to be consistent with the policy agenda and requiring the LAC consideration for an active position. Those bills listed as a Level 1 and not yet considered by the LAC for an active position will be discussed at a future LAC meeting. All legislation with F5CA positions of SUPPORT or OPPOSE are noted on this attachment, including positions for active prior-year bills. All legislation and budget positions recommended by the Committee were adopted by the Executive Director and will be tracked by staff for public letters and public testimony in legislative hearings consistent with the Commission position.

LEGISLATIVE OUTCOMES

On May 4, Governor Brown signed into law a number of bills from the Save Lives Coalition’s Tobacco Prevention Agenda that were supported by F5CA in the Special Session on Health Care. These bills included SBX2 5 (Leno), which defines e-cigarettes as tobacco products for purposes of the Stop Tobacco Access to Kids Enforcement Act, and SBX2 7 (Hernandez), which increases the legal tobacco consumption age to 21. Special session bills took effect this year, and will have immediate fiscal and policy implications for tobacco consumption policy as well as First 5 revenue projections.

The special session bills signed by Governor Brown also include ABX2 11 (Nazarian). This bill increases the tobacco licensing fee and changes the fee from a one-time to an annual fee on all tobacco retailers. ABX2 11 is projected to make the tobacco licensing program self-sufficient with increased revenues of approximately \$8 million annually, which should eliminate the Board of Equalization’s (BOE) use of First 5 funds for licensing program costs; this would significantly reduce the BOE’s draw on First 5 funds for administrative costs. F5CA staff will continue to work with our First 5 partners and the BOE on implementation of this legislation. ABX2 11 is the product of a multi-year effort with First 5 county commissions, the First 5 Association, and Proposition 99 partners to reduce the ever-increasing tobacco licensing costs now billed to the First 5 fund. We anticipate this legislation will result in millions more dollars annually for First 5 programs.

KEY BILLS OF INTEREST

F5CA is tracking over forty pieces of legislation in the two-year and special sessions. Below is an update on active bills of particular note.

Child Health

AB 1051 (Maienschein) would allocate \$200 million to Denti-Cal to increase reimbursement rates and expand preventive care and case management services to achieve significant long-term cost savings, increased provider participation, and increased beneficiary utilization under the Denti-Cal program.

AB 2207 (Wood) would require the California Department of Health Care Services to make conforming changes to the Denti-Cal program for the purposes of improving and expediting the provider enrollment and disenrollment process, while increasing access and utilization oversight.

Combined, these bills address the greatest barriers to Denti-Cal access for children in California.

Early Learning

AB 2150 (Santiago) would guarantee 12-month child care assistance in state-funded early learning programs, along with a graduated phase out for families whose income has increased at the time of re-determination, but still does not exceed the federal income limit of 85 percent of State Median Income.

This legislation was part of the F5CA and our Early Childhood Education Coalition's budget position this year. Now that the final Budget Act does not include any changes to family eligibility or continuity, we will redouble our efforts on this legislative vehicle.

Revenue

AB 2770 (Nazarian) would prohibit the taxes imposed on the distribution of cigarettes and tobacco products to the BOE for the purposes of implementing, enforcing, or administering the Cigarette and Tobacco Products Licensing Program. The bill also would require the BOE to report to the Legislature annually regarding the adequacy of funding for the licensing program.

This legislation complements ABX2 11 (Nazarian), which, as outlined above, was signed into law this year.

BUDGET

The LAC approved a budget position framework for both the Governor's Early Learning Block Grant proposal contained in the January 2016 budget and for early learning budget issues in general. Based on this framework, F5CA staff engaged in proactive budget advocacy, including California Department of Finance stakeholder meetings,

public hearing testimony, and Early Childhood Education Coalition joint letters (Attachment B) and advocacy meetings with legislators and staff. In addition to budget positions consistent with last year's budget priorities (rate increases, access increases, and quality infrastructure), it is important to note the Early Childhood Education Coalition and F5CA advocated for an increased state budget investment in Quality Rating and Improvement Systems (QRIS) to leverage First 5 IMPACT investments statewide, and advocated against the Governor's Early Learning Block Grant proposal.

The final 2016–17 Budget Act, which was signed by Governor Brown on June 27, 2016, represented some significant outcomes for the early learning field. Both houses of the Legislature rejected the Governor's Early Learning Block Grant, and instead negotiated a comprehensive early learning investment package that emphasized on-going per-child funding increases to all child care reimbursement rates, to make up for losses during the recession.

The full, four-year early learning budget package is \$527 million dollars in increases in per-child funding rates for all child care programs, beginning in January 1, 2017, and 8,877 new full-day California State Preschool Program (State Preschool) slots, all to be phased in over four years.

The single year, 2016–17 Budget Act includes the following:

1. Increases Regional Market Rate to the 75th percentile of the 2014 survey as of January 1, 2017, with a two-year hold harmless provision.
2. Increases Licensed Exempt care rates from 65 percent to 70 percent of the Family Child Care Home Rate as of January 1, 2017.
3. Increases Standard Reimbursement Rate by 10 percent across-the-board effective January 1, 2017.
4. \$7.8 million in Proposition 98 funding for the first installment of new full-day State Preschool slots. \$100 million in Proposition 98 funding for 8,877 additional full-day State Preschool slots will be phased in over four years. Specifically, \$7.8 million in 2016–17, \$39.6 million in 2017–18, \$73.0 million in 2018–19, and \$100 million in 2019–20.
5. \$1.4 million in one-time funding for the Los Angeles Trade Tech child care apprenticeship program.
6. Adopts placeholder trailer bill to express legislative intent on setting the 85th percentile of the Regional Market Rate as the long term goal for reimbursement rates.
7. Adopts new trailer bill language to require the California Department of Education (CDE) to align federal quality funding with Quality Rating and Improvement Systems.

8. Adds an evaluation on the cost for full-day kindergarten to an existing CDE kindergarten evaluation.

A commitment has been made by the Legislative Women's Caucus to again hold child care as a top priority for the next two-year legislative session, including the issues of eligibility expansion and access expansion for children ages 0 to 3 — neither of which was addressed in this final budget package.

Speaker of the Assembly Anthony Rendon also announced his intent to launch a Blue Ribbon Commission on early learning as a follow-up to the budget negotiations. This Commission would be tasked with producing an early learning systems plan for California. F5CA staff currently is working with Assembly staff to determine how to best support and inform this new Commission process.

In addition to the changes in early learning, the 2016–17 Budget Act included the following investments in children and their families:

- Approximately \$200 million to fund a repeal of the CalWORKs Maximum Family Grant rule.
- New administrative funds to better coordinate between California's WIC and CalFresh programs for young families.

SUMMARY OF PREVIOUS COMMISSION DISCUSSION AND ACTION

At the January 2016 Commission meeting, the 2016 Children's State Policy Agenda (Policy Agenda) was presented, and the LAC had approved bill and budget priorities consistent with the Policy Agenda.

F5CA staff also presented on the Governor's Proposed Budget and the Early Learning Education Block Grant, and implications for First 5 IMPACT.

ATTACHMENTS

- A. 2015–16 Legislative Bills of Interest – Priority Level 1 Bills
- B. Quality Early Education Funding Position Letter
- C. Budget Proposal for CalFresh Position Letter
- D. 2016 Children's State Policy Agenda



**Legislative Bills of Interest
Priority Level 1 Bills**

Child Health

AB 1051 (Maienschein) Denti-Cal Program

Current Text: Amended: 5/03/16

Level 1 Location: Senate Appropriations Committee

SUPPORT

Summary: This bill would appropriate \$200,000,000 from the General Fund to the Department of Health Care Services (DHCS) for the Denti-Cal program. The bill would require the DHCS to allocate these funds to increase funding for preventative care and case management services to achieve significant long-term cost savings, increased provider participation, and increased beneficiary utilization under the Denti-Cal program.

AB 1644 (Bonta) School-Based Early Mental Health Intervention and Prevention Services

Current Text: Amended: 5/27/16

Level 1 Location: Senate Appropriations Committee

SUPPORT

Summary: This bill would rename the 1991 act the Healing from Early Adversity to Level the Impact (HEAL) of Trauma in Schools Act or the HEAL Trauma in Schools Act. The bill would expand the definition of an eligible pupil to include a pupil who attends a preschool program at a contracting agency of the California state preschool program or a local educational agency, and a pupil who is in transitional kindergarten, thereby extending the application of the act to those persons. The bill would also include charter schools in the definition of local educational agency, thereby extending the application of the act to those entities. The bill would require the State Public Health Officer, in consultation with the Superintendent of Public Schools, the Director of Health Care Services, and the Attorney General to establish a 4-year program, the HEAL Trauma in Schools Support Program, to provide outreach, free regional training, and technical assistance for local educational agencies in providing mental health services at school sites. The bill would require the State Department of Public Health to submit specified reports after 2 and 4 years. The bill would make the implementation of the program contingent upon an appropriation in the annual budget act. The bill would repeal these provisions as of January 1, 2022.

AB 2207 (Wood) Medi-Cal: Dental Program

Current Text: Amended: 6/28/16

Level 1 Location: Senate Appropriations Committee

SUPPORT

Summary: This bill would require the Department of Health Care Services (DHCS) to undertake specified activities for the purpose of improving the Medi-Cal Dental Program, such as expediting provider enrollment and monitoring dental service access and utilization. The bill would require a Medi-Cal managed care health plan to provide dental health screenings for eligible beneficiaries and refer them to appropriate Medi-Cal dental providers. The bill would provide that those provisions shall only be implemented to the extent that the DHCS obtains any necessary federal approvals and federal matching funds.

SB 1098 (Cannella) Medi-Cal: Dental Services: Advisory Group

Current Text: Amended: 6/30/16

Level 1 Location: Assembly Appropriations Committee

Summary: This bill, until January 1, 2022, would establish the Denti-Cal Advisory Group in the Department of Health Care Services (DHCS) for the purpose of studying the policies and priorities of Denti-Cal with the goal of raising the Denti-Cal utilization rate among children, providing assistance and advice to the DHCS, the Governor, and the Legislature to ensure that proposed decisions relating to the Denti-Cal program are based on the best available evidence, and studying and evaluating how Denti-Cal program policies align with and support the implementation of the state oral health plan.

Early Learning and Care

AB 598 (Rendon) Child Care: Family Child Care Home Education Networks

Current Text: Amended: 5/31/16

Level 1 Location: Senate Appropriations Committee

SUPPORT

Summary: Current law requires each family child care home education network to assess the educational quality of the program offered in each family child care home in the network. This bill would require that tools used to make these assessments be appropriate to family child care home settings. The bill would require the network to complete the developmental profile in collaboration with the provider by conducting a parent survey of a child's developmental progress as directed by the California Department of Education and incorporating it into the profile. The bill would require a family child care home education network to include the maintenance of a developmental portfolio, and conduct a minimum of 9 site visits to each affiliated provider in a calendar year. The bill would require a provider in a family child care home education network to adopt and use a curriculum or curricula of the provider's choosing that is appropriate for the age range of children in the home. The bill also would impose additional duties on providers, including providing age and developmentally appropriate educational activities for children.

AB 1161 (Olsen) Preschool: Privately Funded Pilot Program: Tax Credits

Current Text: Amended: 7/2/2015

Level 1 Location: Senate 2 Year Bill

SUPPORT

Summary: This bill would, until January 1, 2021, authorize the California Department of Education (CDE), as part of a pilot program, to accept monetary contributions made to the California Preschool Investment Fund, which this bill would create, by a person for purposes of preschool education, as provided. The bill would require the money in the fund to be used to, among other things, fund state preschools part of the California state preschool program located in one of the 5 participating counties, as provided. The bill would require participating counties to report to CDE's Early Education and Support Division regarding the county's assessment of how the pilot program is performing. The bill would require any moneys remaining in the fund after January 1, 2021, to be transferred to any other state fund identified by CDE that provides funding for increased access to preschool programs for low-income children.

- AB 1679** **(Weber) Child Care: State Preschool Programs: Eligibility: Military Families**
Current Text: Amended: 4/06/16
- Level 1** **Location:** Senate Appropriations Committee
SUPPORT **Summary:** This bill, under the Child Care and Development Services Act, would exclude the amount of the basic allowance for housing provided to an individual who is on federal active duty, state active duty, active duty for special work, or Active Guard and Reserve duty in the military that is equal to the lowest rate of the allowance for the military housing area in which the individual resides from income for purposes of determining eligibility for state preschool services.
- AB 1897** **(Mullin) Day Care Centers: Birth to First Grade License Option**
Current Text: Introduced: 2/11/16
- Level 1** **Location:** FAILED PASSAGE
SUPPORT **Summary:** This bill would require the Department of Social Services to, in consultation with First 5 California and other specified stakeholders, adopt regulations on or before January 1, 2018, to develop and implement a birth to entering first grade license option for day care centers. The bill would require the regulations to include age-appropriate transition times, a requirement that a single integrated license option list the age groups of children being served at the day care center, and a requirement that all other licensing regulations that apply to a day care center shall also apply to a birth to entering first grade license option. The bill would require, until a day care center has the new integrated license, standards for inspection of a day care center to be based on the current license.
- AB 2036** **(Lopez) Online Child Care Job Posting Services: Background Check Service Providers: Enforcement**
Current Text: Amended: 6/16/16
- Level 1** **Location:** Senate Appropriations Committee
SUPPORT **Summary:** This bill would require an online child care job posting service posting information on an internet website in California to include a statement about the trustline registry and, if the service provides access to a background check. The bill would make a background check service provider responsible for providing the online child care job posting service with certain information. The bill would make the Attorney General responsible for the enforcement of these provisions. The bill would impose a fine of \$1,000 per violation for a 2nd or subsequent violation of these requirements. The bill would require fines to be deposited in the Child Health and Safety Fund and would authorize these fines to be available, upon appropriation, for education and training of child day care facility providers.
- AB 2150** **(Santiago and Weber) Subsidized Child Care and Development Services: Eligibility Periods**
Current Text: Amended: 6/01/16
- Level 1** **Location:** Senate Appropriations Committee
SUPPORT **Summary:** This bill would require that a family, upon establishing initial eligibility or ongoing eligibility for services under the act, be considered to meet all eligibility requirements for those services for not less than 12 months, receive those services for not less than 12 months before having their eligibility redetermined, and not be required to report changes to income or other changes for at least 12 months, except as provided. The bill would revise the definition of "income eligible" and provide that

the definition applies for purposes of establishing initial income eligibility for services under the act, and would add a definition of "ongoing income eligible" for purposes of establishing ongoing income eligibility for services under the act.

AB 2368 (Gordon) Child Care and Development Services: Individualized County Child Care Subsidy Plan: County of Santa Clara

Current Text: Amended: 4/05/16

Level 1 Location: Senate Appropriations Committee

SUPPORT

Summary: This bill would authorize, until January 1, 2022, the County of Santa Clara to develop an individualized county child care subsidy plan. The bill would require the plan to be submitted to the local planning council and the Santa Clara County Board of Supervisors for approval. The bill would require the Early Education and Support Division of the California Department of Education to review and approve or disapprove the plan and any subsequent modifications to the plan.

AB 2410 (Bonta) Early Learning: School Readiness

Current Text: Amended: 4/27/16

Level 1 Location: FAILED PASSAGE

Summary: This bill would require the California Department of Education (CDE) to develop prekindergarten learning development guidelines, focused on preparing 4- and 5-year-old children for kindergarten, based on current science that reflects how publicly funded programs can close the school readiness gap. The bill would require the CDE, on or before March 1, 2017, to convene the California Committee for Kindergarten Readiness stakeholder group to evaluate and develop recommendations on what constitutes kindergarten readiness and would require the committee to submit to the state board and the appropriate policy committees of the Legislature, on or before January 1, 2018, a kindergarten readiness definition that has clear benchmarks for skills that are predictive of later success in academics and social-emotional and executive functioning skills as evidenced by current research. The bill would specify the membership of the committee, which would include First 5 California, and would repeal these provisions on January 1, 2019.

AB 2660 (McCarty) Early Education: Three-Year Plan

Current Text: Amended: 4/12/16

Level 1 Location: FAILED PASSAGE

SUPPORT

Summary: This bill would require the California Department of Education, in consultation with the State Board of Education and the State Advisory Council on Early Learning and Care, on or before January 1, 2018, to submit to the Legislature and the Department of Finance a plan that provides a multiyear plan for providing access to income-eligible children to high-quality prekindergarten programs for a minimum of one year before enrollment in kindergarten and a multiyear plan for ensuring that publicly funded prekindergarten programs include

AB 2677 (Chávez) Subsidized Child Care: Limit on Services

Current Text: Introduced: 2/19/16

Level 1 Location: FAILED PASSAGE

OPPOSE

Summary: This bill would limit a family to a total of not more than 8 years of subsidized child care services under the Child Care and Development Services Act, administered by the California Department of Education.

AB 2785

(O'Donnell) Special Education: English Learners: Manual

Current Text: Amended: 4/27/16

Level 1

Location: Senate Education Committee

Summary: This bills would require the California Department of Education, on or before July 1, 2018, to develop a manual providing guidance to local educational agencies on identifying, assessing, and supporting English learners who may qualify for special education services with the goal of providing guidance, for voluntary use by local educational agencies, including charter schools, on evidence-based and promising practices for the identification, assessment, and support of English learners who may have disabilities and to promote a collaborative approach among general education teachers, special education teachers, school administrators, other personnel, and parents in determining the most appropriate academic placements and services for these pupils.

ACR 120

(Stone) Data Trusts: At-Risk Children

Current Text: Amended: 4/07/16

Level 1

Location: Senate Floor – Third Reading

Summary: This bill would recognize that the Legislature supports the development of safe and secure data sharing between public education, social service, and research entities through the Silicon Valley Regional Data Trust as it pertains specifically to at-risk, foster, homeless, and justice-involved children and youth and their families, in order to better serve, protect, and improve the futures of these Californians.

SB 1042

(Hancock) Child Care: State Preschool Programs: Age of Eligibility

Current Text: Introduced: 2/12/16

Level 1

Location: FAILED PASSAGE

SUPPORT

Summary: Current law requires the Superintendent of Public Instruction to administer all California state preschool programs, including, but not limited to, part-day age and developmentally appropriate programs for 3- and 4-year-old children. This bill would define "3-year-old children" as children who will have their 3rd birthday on or before December 1 of the fiscal year in which they are enrolled in a California state preschool program.

SB 1154

(Liu) Child Care and Development Services: Resource and Referral Programs

Current Text: Amended: 4/14/16

Level 1

Location: FAILED PASSAGE

SUPPORT

Summary: This bill, which would be known as the Patricia Siegel Child Care Resource and Referral Memorial Act of 2016, would require a child care resource and referral program to provide specified additional services, including providing training and workshops relating to child care services, providing community resource assistance, and collaborating with and assisting other community agencies in planning, coordinating, and improving child care. The bill would delete provisions authorizing a resource and referral program to provide short-term respite care, as defined. The bill would require a resource and referral program to implement written complaint procedures. The bill would require a resource and referral program to provide basic child care referrals, as defined, at no cost. The bill would require a resource and referral program to include additional information in the documentation a resource and referral program is required to maintain.

SCR 125 (Allen) Kindergarten Readiness Assessment Tool

Current Text: Introduced: 3/31/16

Level 1 Location: Senate Education Committee

Summary: This bill would state that the Legislature will work towards the adoption of a statewide, developmentally appropriate kindergarten readiness assessment tool to assess the readiness of children entering transitional kindergarten and kindergarten.

Revenue and Governance

AB 1594 (McCarty) Public Postsecondary Education: Prohibition of Smoking and Vaping on Campuses

Current Text: Amended: 6/15/16

Level 1 Location: Senate Appropriations Committee

Summary: This bill, beginning January 1, 2018, would prohibit smoking and the use of a tobacco product, including, but not limited to, an e-cigarette, on a campus of the California State University or the California Community Colleges. The bill would authorize the governing bodies of the California State University and each community college district to set standards for the enforcement of that prohibition. The bill would authorize the campuses to conduct a positive educational campaign to increase the awareness of a tobacco - and smoke-free policy. The bill would authorize the enforcement of this prohibition by a fine, not to exceed \$100, as specified. The bill would require the proceeds of the fine to be allocated for purposes including support of the educational operations of the campus on which the violation occurs, education about and promotion of the policy implemented by the bill, and tobacco use cessation treatment options for students of that campus.

AB 1696 (Holden) Medi-Cal: Tobacco Cessation Services

Current Text: Amended: 6/27/16

Level 1 Location: Senate Appropriations Committee

SUPPORT

Summary: This bill would provide that, only to the extent that federal financial participation is available and not otherwise jeopardized, and any necessary federal approvals have been obtained, tobacco cessation services are covered benefits, subject to utilization controls, under the Medi-Cal program and would require those services to include all intervention recommendations, as periodically updated, assigned a grade A or B by the United States Preventive Services Task Force, and, at a minimum, 4 quit attempts per year.

AB 1901 (Quirk) Taxation: Cigarettes: Unaffixed Stamps

Current Text: Amended: 3/14/16

Level 1 Location: Senate Appropriations Committee

Summary: The Cigarette and Tobacco Products Tax Law imposes a fine of up to \$50,000 or imprisonment not to exceed one year in county jail, or both, for possessing, selling, or buying false or fraudulent cigarette tax stamps or meter impressions, and requires the destruction by the Board of Equalization of any stamps seized. This bill would extend those penalties for possessing, selling, or buying unaffixed cigarette tax stamps, and would require any fines assessed to be deposited in the Cigarette and Tobacco Products Compliance Fund.

- AB 2770** **(Nazarian) Cigarette and Tobacco Product Licensing: Fees and Funding**
Current Text: Amended: 6/16/16
- Level 1** **Location:** Senate Appropriations Committee
SUPPORT **Summary:** This bill would prohibit the taxes imposed upon the distribution of cigarettes and tobacco products to the Board of Equalization (BOE) for the purposes of implementing, enforcing, or administering the Cigarette and Tobacco Products Licensing Program. The bill would require the BOE to report to the Legislature annually regarding the adequacy of funding for the licensing program, and include information on the BOE's compliance with the State Auditor's recommendation to eliminate the excess fund balance in the Cigarette and Tobacco Tax Compliance Fund, which would be required until the excess fund balance is eliminated.
- ABX2 9** **(Thurmond) Tobacco Use Programs**
Current Text: Chaptered: 5/04/16
- Level 1** **Location:** CHAPTERED
SUPPORT **Summary:** This bill would expand eligibility for funding for the tobacco use prevention program to include charter schools. The bill would require the California Department of Education to require that all school districts, charter schools, and county offices of education receiving funding under the program adopt and enforce a tobacco-free campus policy prohibiting the use of products containing tobacco and nicotine, as specified.
- ABX2 10** **(Bloom) Local Taxes: Authorization: Cigarettes and Tobacco Products**
Current Text: Enrolled: 3/14/16
- Level 1** **Location:** VETOED
SUPPORT **Summary:** The Cigarette and Tobacco Products Tax Law imposes a tax on every distributor of cigarettes and tobacco products at specified rates. That law specifies that the taxes imposed by that law are in lieu of all other state, county, municipal, or district taxes on the privilege of distributing cigarettes or tobacco products. The California Constitution prohibits the Legislature from imposing taxes for local purposes, but allows the Legislature to authorize local governments to impose them. This bill would authorize the board of supervisors of a county or city and county to impose a tax on the privilege of distributing cigarettes and tobacco products in the county or city and county, including within an incorporated city within the county.
- ABX2 11** **(Nazarian) Cigarettes and Tobacco Product Licensing: Fees and Funding**
Current Text: Chaptered: 5/04/16
- Level 1** **Location:** CHAPTERED
SUPPORT **Summary:** The Cigarette and Tobacco Products Licensing Act of 2003 requires the State Board of Equalization to administer a statewide program to license manufacturers, importers, distributors, wholesalers, and retailers of cigarettes and tobacco products. That act requires retailers of cigarettes and tobacco products to obtain a separate license for each retail location, to be issued by the board upon receipt of a completed application and payment of a one-time fee, unless specified conditions apply. This bill would require a fee of \$265 to be submitted with each license application, as described above. The bill would require, for calendar years beginning on and after January 1, 2016, every retailer to file an application for renewal of a retailer's license accompanied with a fee of \$265 per retail location, in the form

and manner prescribed by the board. The Cigarette and Tobacco Products Licensing Act of 2003 requires every wholesaler and distributor who commences business selling or distributing cigarettes or tobacco products, or who commences doing so at a new or different place of business in the state, to apply for a license accompanied by a required fee of \$1,000 for each location. The act also requires wholesalers and distributors to file an application for a renewal of license accompanied by a required fee of \$1,000 for each location where cigarettes and tobacco products are sold. The bill would raise the fees described above to \$1,200. The bill would require the board to report to the Legislature no later than January 1, 2019 regarding the adequacy of funding for the Cigarette and Tobacco Products Licensing Act of 2003, as specified.

SB 977 (Pan) Tobacco: Youth Sports Events

Current Text: Amended: 6/15/16

Level 1 Location: Assembly Floor – Third Reading

Summary: This bill would prohibit a person located in the same park or facility where a youth sports event is taking place from using a tobacco product within 250 feet of the youth sports event and make a violation an infraction punishable by a fine of \$250 for each violation. The bill would make the use of tobacco on private property subject to those prohibitions. The bill would state that its provisions do not preempt the authority of any county, city, or city and county to regulate the use of tobacco products around a youth sports event.

SBX2 5 (Leno) Electronic Cigarettes

Current Text: Chaptered: 5/04/16

Level 1 Location: CHAPTERED

SUPPORT

Summary: This bill would define the term "smoking" for purposes of the Stop Tobacco Access to Kids Enforcement (STAKE) Act. The bill would also change the STAKE Act's definition of "tobacco products" to include electronic devices, such as electronic cigarettes, that deliver nicotine or other vaporized liquids, and make furnishing such a tobacco product to a minor a misdemeanor. The bill would include in the definition of tobacco products for the purposes of those provisions relating to licenses for retailers the STAKE Act's new definition of tobacco products. The bill would require a retailer that seeks to sell a tobacco product that is not subject to imposition of a tax under the Cigarette and Tobacco Products Tax Law to pay a one-time license fee to engage in the sale of that product, as specified. The bill would require all cartridges for electronic cigarettes and solutions for filling or refilling an electronic cigarette to be in childproof packaging, as prescribed. The bill would make these provisions operative on October 1, 2016. The bill also would make the use of electronic cigarettes in some restricted locations, as specified, a violation punishable as an infraction.

SBX2 7 (Hernandez) Tobacco Products: Minimum Legal Age

Current Text: Chaptered: 5/04/16

Level 1 Location: CHAPTERED

SUPPORT

Summary: This bill would increase the minimum legal age to purchase or consume tobacco from age 18 to 21. The bill would exclude active duty military personnel who are 18 years of age or older, as confirmed by a military identification card.

Strong and Engaged Families

AB 492 (Gonzalez) CalWORKs: Welfare-to-Work: Supportive Services

Current Text: Amended: 6/20/16

Level 1 Location: Senate Appropriations Committee

Summary: Current law requires that necessary supportive services be available to participants in welfare-to-work activities, including child care. This bill would provide that necessary supportive services also include a diaper benefit in the amount of \$50 per month for diapers for every child 2 years of age or younger enrolled in child care pursuant to the above-mentioned provisions. The bill would require that the diaper benefit be issued to participants through the electronic benefits transfer system, and would direct the department to make the benefit available at the earliest time possible. The bill would specify that the diaper benefit is not income for purposes of determining CalWORKs eligibility or benefits, and that it may be used by a participant only to purchase diapers.

AB 908 (Gomez) Disability Compensation: Family Temporary Disability Insurance

Current Text: Chaptered: 4/11/16

Level 1 Location: CHAPTERED

SUPPORT

Summary: This bill would revise the formula for determining benefits available pursuant to unemployment compensation disability law and for the family temporary disability insurance program, for periods of disability commencing after January 1, 2018, but before January 1, 2022, to provide a weekly benefit amount minimum of \$50 and increase the wage replacement rate to specified percentages, but not to exceed the maximum workers' compensation temporary disability indemnity weekly benefit amount established by the Department of Industrial Relations pursuant to existing law.

AB 2393 (Campos) School Classified Employees: Sick Leave: Parental Leave

Current Text: Amended: 6/09/16

Level 1 Location: Senate Floor – Third Reading

SUPPORT

Summary: This bill would provide that if a school district maintains a rule that credits a person employed in a position requiring certification qualifications at least 100 working days of sick leave paid at no less than 50 percent of his or her regular salary, when he or she has exhausted all available sick leave, including all accumulated sick leave, and continues to be absent from his or her duties on account of parental leave, the person employed in a position requiring certification qualifications would be compensated at no less than 50 percent of his or her regular salary for a period of up to 12 weeks for parental leave.

AB 2405 (Gatto) Employment: Employees: Time Off

Current Text: Amended: 5/31/16

Level 1 Location: Assembly Floor – Third Reading

SUPPORT

Summary: This bill would require an employer to annually provide an employee at least 24 hours of paid time off for the purposes of a planned absence under these provisions, except as specified, and would instead authorize an employee to use vacation or paid time off, or use unpaid time off, if available, when taking time off under these provisions. The bill would entitle an employee to accrue, request, and use 24 hours of paid time off for their child's school-related activities.

- AB 2589** **(Gomez) Lactation Services and Equipment**
Current Text: Amended: 6/27/16
- Level 1**
SUPPORT **Location:** Senate Appropriations Committee
Summary: This bill would require the Department of Public Health (DPH) to coordinate with the Department of Health Care Services (DHCS) to develop processes, procedures, and an electronic application for eligibility-related information sharing to streamline enrollment into the WIC Program as part of the application process for Medi-Cal and health plans offered through the California Health Benefit Exchange. The bill would require the DPH to coordinate with the DHCS, through a stakeholder engagement process to develop measures and outcomes for breastfeeding rates. The bill would require the recommendations from the stakeholder engagement process to be posted on the DPH's Internet websites by January 1, 2018.
- SB 670** **(Jackson) Income Taxes: Credit: Child Care**
Current Text: Amended: 8/20/15
- Level 1**
SUPPORT **Location:** Assembly Appropriations Suspense File
Summary: This bill, for taxable years beginning on and after January 1, 2016, and before January 1, 2021, would allow a credit in the amount of 30% of the costs of startup expenses for child care programs, constructing a child care facility, providing child care information and referral services, and contributing to a qualified care plan, as defined. The bill would authorize, in the case where the credit allowed for the taxable year exceeds the "net tax" or "tax" the excess to be carried over to reduce the "net tax" or "tax" in the following year, and the succeeding 7 years if necessary. The bill would also require the Franchise Tax Board to report to the Legislature on the effectiveness of these credits.
- SB 1014** **(Liu) Pupil Rights: Pregnant and Parenting Pupils**
Current Text: Amended: 6/29/16
- Level 1**
SUPPORT **Location:** Assembly Appropriations Committee
Summary: This bill would authorize the governing board of a school district to allow a parenting student who gives or expects to give birth up to six weeks of parental leave. The bill also would require schools to allow pregnant or parenting students to continue participating in classes and extracurricular activities, allow students to choose whether to attend special programs or classes for pregnant students, allow students to return to the same academic and extracurricular status as before giving birth, and give students the opportunity to make up any missed assignments.
- SB 1166** **(Jackson) Unlawful Employment Practice: Parental Leave**
Current Text: Amended: 4/21/16
- Level 1**
SUPPORT **Location:** FAILED PASSAGE
Summary: This bill would prohibit an employer from refusing to allow an employee with more than 12 months of service with the employer, and who has at least 1,250 hours of service with the employer during the previous 12-month period, to take up to 12 weeks of parental leave to bond with a new child within one year of the child's birth, adoption, or foster care placement. The bill would also prohibit an employer from refusing to maintain and pay for coverage under a group health plan for an employee who takes this leave.



June 2, 2016

The Honorable Philip Ting, Chair
Conference Committee
State Capitol, Room 3123
Sacramento, CA 95814

The Honorable Mark Leno, Vice Chair
Conference Committee
State Capitol, Room 5100
Sacramento, CA 95814

Re: Quality Early Education Funding in the 2016–2017 Budget

Dear Chair Ting, Vice Chair Leno, and Conference Committee Members:

On behalf of the California Children and Families Commission (First 5 California), I want to urge the Legislature to put young children first in this year's budget and make the investments in early learning the first priority for surplus budget funds. We support the Assembly early learning budget proposal's size, scope, and design as adopted on May 25, 2016, and urge the Budget Conference Committee to adopt this proposal.

In order to strengthen the deteriorating foundation of our state's early learning system for today and for the foreseeable future, we continue to encourage you to prioritize significant investments in the fundamentally linked areas of affordability, access, and quality, as outlined in the Assembly budget.

In line with the Early Childhood Education Coalition, we support the following areas, in this priority order, for investment in a final budget:

1. *Increase reimbursement rates so early care and education providers can maintain current services and take up expansion contracts, thereby ensuring low-income families have continued access to affordable child care and preschool.*

- Invest in both the Standard Reimbursement Rate and the Regional Market Rate systems to ensure progress toward paying early care and education providers a rate that considers the most current cost of providing services to our youngest population, including the impact of the proposed state minimum wage increase.

2. *Expand access to quality early learning for low-income young children and their families through increased slots as well as family-friendly policies to ensure eligibility and continuity of services.*

- Update eligibility guidelines to reflect the current State Median Income (SMI), and increase the exit eligibility level to 85 percent of current SMI so families do not unnecessarily lose services.
- Promote 12-month eligibility and reduced administrative burden for families, consistent with AB 2150 (Santiago).

Contingent on securing reimbursement rate increases so providers/programs can actually afford to expand services, we would recommend:

- Building upon of last year's initial restoration of child care for infants and toddlers in both the General Child Care and Alternative Payment programs.
- Fulfilling the preschool promise of ensuring low-income 4-year-olds have access to early learning before kindergarten and expanding the California State Preschool Program (CSPP).

3. *Continue to focus on increasing quality in all settings, supporting the professional development of the workforce, and building the infrastructure to ensure a system that works efficiently for children, families, and providers.*

- *Ensure expansion and sustainability of quality improvement systems throughout the state:* Increase the CSPP Quality Rating Improvement System block grant by \$25 million dollars and expand the one-time \$25 million infant and toddler block grant into a \$35 million ongoing program.
- *Build out the statewide consumer education database to streamline access to affordable, quality care and move toward an integrated child care data system:* Leverage the 2015–16 investment for the Child Care Resource & Referral Data Efficiency Project to build out the platform for a comprehensive statewide child care data system, which will link consumer education, program eligibility, and provider information. To move toward this goal, we request \$15 million in one-time Proposition 98 and General Funds.

In addition, we applaud the concept of a Blue Ribbon Commission to establish a comprehensive early learning plan for our state's children ages 0 to 5. We stand ready at First 5 California to be of assistance to this Commission's work.

Early care and education are critical to the current and long-term economic and educational viability of our state. In addition to providing critical support to working

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families, high-quality early learning programs have proven effective in significantly narrowing the readiness gap, reducing the high school dropout rate, and leading to savings from lower costs related to special education, public assistance, and crime. We respectfully ask you to prioritize our youngest children and their families in this year's state budget and urge your visionary leadership in addressing the long-term challenges facing the early learning system.

We look forward to working with the Legislature on an early learning vision worthy of our Golden State and all our children. If you have questions regarding First 5 California's position on this proposal, please contact Erin Gabel, Deputy Director of External and Governmental Affairs, at egabel@ccfc.ca.gov or (916) 263-1093.

Sincerely,



Camille Maben
Executive Director

cc: The Honorable Richard Bloom, California State Assembly
The Honorable Lorena Gonzalez, California State Assembly
The Honorable Jay Obernolte, California State Assembly
The Honorable Kristin Olsen, California State Assembly
The Honorable Patricia Bates, California State Senate
The Honorable Loni Hancock, California State Senate
The Honorable Ricardo Lara, California State Senate
The Honorable Jim Nielsen, California State Senate
George Halvorson, Chair, First 5 California
Joyce Iseri, Vice Chair, First 5 California
Conway Collis, Commissioner, First 5 California
Muntu Davis, Commissioner, First 5 California
Shana Hazan, Commissioner, First 5 California
Lupe Jaime, Commissioner, First 5 California
Erin Pak, Commissioner, First 5 California
Jim Suennen, Ex-Officio Member Designee, First 5 California



April 21, 2016

The Honorable Holly Mitchell, Chair
Senate Budget Subcommittee 3
on Health and Human Services
State Capitol, Room 4164
Sacramento, CA 95814

The Honorable Tony Thurmond, Chair
Assembly Budget Subcommittee 1
on Health and Human Services
State Capitol, Room 5150
Sacramento, CA 95814

RE: 2016–17 Budget Proposal for CalFresh

Dear Senator Mitchell and Assemblymember Thurmond:

First 5 California supports the Governor's 2016–17 budget proposal that includes \$804,000 (\$261,000 General Fund) and five new positions for the Department of Social Services (DSS) with the goal of enrolling an additional 400,000 children in the CalFresh program over the next two years. To reach that goal, DSS would provide technical assistance and training to the 19 largest counties for enrolling and retaining families in the CalFresh program, coordinate with the Department of Public Health to enroll more children and families transitioning off of the Women, Infants and Children (WIC) program, and continue efforts to improve dual enrollment between Medi-Cal and CalFresh.

First 5 California's vision is to ensure California's children receive the best possible start in life and thrive. In that regard, First 5 California addresses the important issue of child health by promoting parents' knowledge about healthy foods, nutrition, and physical activity. Childhood nutrition has a profound impact on growing children's bodies and minds, and access to healthy food is critical to young children's health and well-being.

Over 2 million children in California live in low-income families and are in danger of experiencing hunger. California is home to more children living in poverty than any other state in the country, and many California families experience a lack of food and hunger. Even a single incidence of hunger can negatively impact a child's health, development, and future academic success. Children who suffer from poverty and hunger are sick more often and are more likely to be hospitalized. Infants and toddlers who do not have enough food are at risk for developmental delays, and the stress of a family that does not have enough food can negatively impact their brain development and cognitive growth.

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According to the Center on Budget and Policy Priorities, approximately 81 percent of households applying for CalFresh have children. If a household is certified for CalFresh, any child under age five in the household is income-eligible for the WIC Program.

First 5 California applauds the Administration for recognizing the importance of increasing access and participation in the CalFresh program. To the extent that it supports child health and well-being by increasing families' access to existing child nutrition programs, the Governor's proposed budget furthers the goals of First 5 California's Children's State Policy Agenda.

If you have questions regarding First 5 California¹ First 5 California's position on the budget proposal for CalFresh, please contact Erin Gabel, Deputy Director of External and Governmental Affairs, at egabel@ccfc.ca.gov or (916) 263-1093.

Sincerely,



Camille Maben
Executive Director

cc: The Honorable Mark Leno, Chair, Senate Budget and Fiscal Review Committee
Members of the Senate Budget and Fiscal Review Subcommittee No. 3 on Health and Human Services
The Honorable Philip Ting, Chair, Assembly Budget Committee
Members of the Assembly Budget Subcommittee No. 1 on Health and Human Services
Michelle Baass, Consultant
Andrea Margolis, Consultant
George Halvorson, Chair, First 5 California
Joyce Iseri, Vice Chair, First 5 California
Conway Collis, Commissioner, First 5 California
Muntu Davis, Commissioner, First 5 California
Shana Hazan, Commissioner, First 5 California
Lupe Jaime, Commissioner, First 5 California
Erin Pak, Commissioner, First 5 California
Jim Suennen, Ex-Officio Member Designee, First 5 California

¹ First 5 California, also known as the California Children and Families Commission, was established after voters passed Proposition 10 in November 1998, which added a tax on tobacco products to fund education, health, childcare, and other services for children ages 0 to 5 and their families. Its programs and resources are designed to educate teachers, parents, grandparents, and caregivers about the critical role they play during a child's first five years – with the overarching goal of helping more California kids grow up healthy and ready to succeed in school and in life.



Vision: California's children receive the best possible start in life and thrive.

2016 CHILDREN'S STATE POLICY AGENDA

Advocate for a comprehensive, integrated, culturally competent, and coordinated system, and the necessary funding, for California's children prenatal through age 5 and their families that optimizes early childhood development.

CHILD HEALTH
Ensure coordination across the health care access system to ensure access for every pregnant mother and child ages 0 to 5 with affordable and comprehensive health insurance coverage.
Improve parent and young children's knowledge about and access to healthy foods and physical activity, including support for state and/or local taxes on sweetened beverages and/or unhealthy foods.
Support and promote universal developmental screenings, assessment, referral, and treatment.
EARLY LEARNING
Expand access to quality early care and education programs for children ages 0 to 3.
Support implementation of high-quality universal preschool access for all low-income four-year-old children, and high-quality transitional kindergarten and kindergarten state-wide.
Support a high-quality early learning workforce through strengthened qualifications, compensation, stability, diversity, and robust professional development systems.
Promote statewide access to and participation in successful Quality Rating and Improvement Systems.
STRONG AND ENGAGED FAMILIES AND COMMUNITIES
Support evidence-based parent education and engagement, including new parent engagement on child brain development and Talk. Read. Sing.
Support sustainability of Family Resource Centers and other community hubs for integrated services for children and families.
Increase supports for breastfeeding, family leave, and baby-friendly policies in all settings.
Expand voluntary home visit programs.
REVENUE
Promote inclusion of funding for children ages 0 to 5 and their families in existing and new revenue policy discussions.
Promote regulation of tobacco-related products, including electronic cigarettes, and sustainability of licensing and enforcement programs.