



April 27, 2017

<p>SUBJECT</p> <p>STATE AND FEDERAL 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 well-being 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, both directly and in partnership with First 5 county commissions and other allies, from the local to federal levels that increase 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 provide an update on the status of the 2017–18 State Legislative Session, F5CA “Level 1” priority bills, F5CA sponsor bills, and the 2017–18 State Budget debates with particular emphasis on budget proposals directly related to early childhood issues and the F5CA Children’s Policy Agenda (policy agenda).

Staff also will provide an update on federal policy engagement activities in 2017, including joint First 5 federal policy materials and activities intended to complement the policy agenda.

RECOMMENDATION

F5CA staff is not requesting action at this time.

BACKGROUND OF KEY ISSUES

2017 California State Legislative Session

Since the January 2017 Commission meeting, the Commission's Legislative Advisory Committee (LAC) has recommended new positions for the state legislation highlighted below, consistent with the 2017 policy agenda, which is used to analyze all state legislation introduced to date. The LAC will continue to review Level 1 bills and newly amended bills for additional positions in the upcoming months.

Strong and Engaged Families

- **AB 992 (Arambula)** would establish new funding for voluntary maternal, infant, and early childhood home visiting for California Work Opportunity and Responsibility to Kids (CaWORKs) families.
- **AB 1164 (Thurmond)** would authorize a foster care placement bridge program for children ages 0 to 4 who are placed with an approved resource family or for the child of a young parent involved in the child welfare system.

Child Health

- **AB 753 (Caballero)** would require improved access to dental services for adults and children in the Medi-Cal program.
- **AB 1520 (Burke)** would set a statutory goal to reduce child poverty statewide by 50 percent over a 20-year period and would use a specified framework to enact future legislation and state budgets to fund programs or services proven to reduce child poverty.
- **SB 300 (Monning)** would require sugar-sweetened beverage containers to bear a health warning.

Early Learning

- **AB 170 (O'Donnell)** would eliminate the statutory prohibition on four-year degrees in professional education at California universities.
- **AB 273 (Aguilar-Curry)** would expand eligibility for subsidized child care programs to parents participating in English-as-a-second-language programs.
- **AB 752 (Rubio)** would establish procedures for expelling or dis-enrolling a child from a state-funded preschool program in order to lower expulsion rates.
- **AB 1106 (Weber)** would provide 36 months of continuity of care services to military families in the Alternative Payment child care program.

Revenue and Governance

- **AB 43 (Thurmond)** would impose a tax on contracting goods and services for state prisons that would be used to provide early intervention programs for children, including early learning programs.

Attachment A is a list of all state legislation introduced and amended by April 5, 2016, in the two-year session that matched the policy agenda. Bills listed as “Level 1” are legislation determined by F5CA staff to be consistent with the policy agenda and requiring the LAC consideration for an active position. Those bills listed as 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 the attachment. All legislation and budget positions recommended by the LAC were adopted by the Executive Director, and will be tracked by F5CA staff for public letters and public testimony in legislative hearings consistent with the Commission position.

First 5 California Sponsored Legislation

In addition to the 15 bills F5CA is actively tracking with support positions, F5CA is sponsoring legislation for the first time in over a decade.

F5CA is the co-sponsor of AB 60 (Santiago and Gonzalez-Fletcher) with Parent Voices and the Child Care Law Center. This bill will modernize how working parents become eligible for child care subsidies. The State Budget has frozen the eligibility threshold for state-subsidized child care at 70 percent of the State Median Income (SMI) from 2005. AB 60 will update the SMI for all child care programs and create a graduated exit threshold 85 percent (up from 70 percent) of the modern SMI. The bill also will allow families to receive a minimum of 12 months of continuous care, even if they are experiencing minor pay changes. AB 60 will help put more families within reach of California’s limited state-subsidized child care programs. AB 60 passed out of the Assembly Human Services Committee in March 2017 with bi-partisan support, and is expected to be scheduled for an Assembly Appropriations Committee hearing in late April 2017.

F5CA also is the co-sponsor of the New Parent Leave Act—SB 63 (Jackson)—with the California Employment Lawyers Association and Legal Aid at Work. The bill would provide up to 12 weeks of job-protected maternity and paternity leave for more California employees. Under current law, only those who work for an employer of 50 or more employees are eligible for job-protected parental leave to bond with a newborn or newly adopted child. Consistent with F5CA’s *Talk. Read. Sing.*® campaign, SB 63 is based on the social equity imperative that every parent needs and deserves the facts about early brain science and must have support in nurturing their young children from birth. SB 63 successfully passed out of both the Senate Labor and Industrial Relations and Judiciary Committees, and is expected to be scheduled for a Senate Appropriations Committee hearing in early May 2017.

First 5 California 2017 Budget Priorities

As discussed at the January Commission meeting, the Governor's Budget contains major items of interest to the early learning field. Since the January Commission meeting, the Legislature has begun Budget Subcommittee hearings on the early learning issues, and F5CA, in partnership with the Early Childhood Education (ECE) Coalition, has engaged robustly in the public discussion.

Attachments B and C are two sets of correspondence F5CA has issued on our budget priorities. Attachment B is one example of our co-signed budget correspondence with the ECE Coalition on our top budget priorities as approved by the LAC and discussed in the January item. It includes retaining the 2016–17 Budget Act multiple-year agreement on rate increases and preschool slot increases along with inclusion of the SMI modernization in the Budget. Attachment C is one example of our co-signed budget correspondence with our AB 60 co-sponsors requesting inclusion of the SMI modernization in the Budget. Both our ECE Coalition and AB 60 budget requests have spurred formal panel representation at the Budget Subcommittee hearings.

In addition to the fiscal proposals in the Governor's Budget for ECE, a number of policy proposals were included with implications for child care setting quality and specifically our Quality Rating and Improvement System work. Two provisions have caused concern: the change of ratios in California State Preschool Programs (CSPP) from 1:8 to 1:12 for classrooms with credentialed teachers; and the complete repeal of Title 22 health and safety licensing regulations for school district CSPP programs. F5CA staff are currently working with our First 5 partners and the ECE Coalition on understanding the full potential impacts of these proposals and beginning to articulate our concerns to policymakers.

Assembly Speaker's Blue Ribbon Commission on Early Learning

On March 6, 2017, Assembly Speaker Rendon's Blue Ribbon Commission (BRC) on Early Learning convened its first hearing. Co-chaired by Assembly members Garcia and McCarty, the BRC includes both members of the Assembly and stakeholders from various early learning constituencies. Chair McCarty was clear in the BRC's scope during this first meeting: the BRC will deliberate and recommend comprehensive reforms and funding for our early learning system for children ages 0-5 in anticipation of the next gubernatorial term, rather than for current-year legislative policy debates.

F5CA staff was invited to join two other key early learning stakeholders at the BRC hearing to provide an overview of the state's existing early learning system along with framing recommendations for the BRC's scope of work. Future hearings are envisioned across the state over the next year to deliberate changes or enhancements system-wide. F5CA staff will continue to work with our First 5 partners and the ECE Coalition on active engagement.

First 5 2017 Federal Policy Priorities

Guided by F5CA's Strategic Plan goal to advocate for and influence policy change, both directly and in partnership with our First 5 partners, F5CA has been actively engaged in capacity building, priority alignment, and advocacy efforts with the First 5 Association and First 5 Los Angeles (F5LA) to develop a "First 5 voice" in Washington, D.C. (D.C.). Coordinated state policy efforts over the last two years have led to deepened levels of engagement amongst the First 5 partners and increased visibility of First 5 on the state policy stage, and we are now working to mirror this work on federal advocacy in D.C.

The First 5 partners recently drafted joint First 5 federal policy priorities that lattice to the F5CA Children's Policy Agenda, elevating crucial policy areas highlighted in F5CA's Strategic Plan: Strong and Engaged Families and Communities, Child Health, Early Learning, and Revenue. These policy areas are expanded upon through the joint First 5 Federal Policy Paper Draft (Attachment D), which will aid in further coordinating First 5 federal advocacy efforts and elevating the First 5 voice on the most pressing policy and budget debates in D.C. during 2017 and beyond.

During the April 11, 2017, LAC Meeting, the LAC advised F5CA staff on how to shape the joint First 5 Federal Policy Paper Draft, which highlights the role of quality health care and child care in reducing childhood poverty, specifically prioritizing goals to:

- 1) Protect families' access to quality health care, including opposing efforts to repeal the Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (ACA) and restructure, limit, or reduce federal funding for Medicaid; and supporting the reauthorization of the Children's Health Insurance Program (CHIP), which provides critical health coverage for low-income children.
- 2) Build strong families in part by expanding federal paid family leave policies and by increasing funding for home visiting through reauthorizing the Maternal Infant and Early Childhood Home Visitation (MIECHV) Program.
- 3) Support increased funding for early learning and child care programs, including implementation of the Every Student Succeeds Act (ESSA) and the Child Care Development Block Grant (CCDBG), and preservation of Early Head Start and Head Start programs to ensure California's children and families get the high-quality child care they need to succeed in school and beyond.
- 4) Oppose drastic cuts to domestic programs and prevent the sequester cuts to non-defense discretionary (NDD) spending, including early childhood health and education programs, set to take effect in Federal Fiscal Year (FFY) 2018–19 in accordance with the Budget Control Act of 2011.

For F5CA, each of these policy priorities are framed by our commitment to the early engagement and supports necessary for all parents and families, so that all children in California can thrive.

As 2017 proves to be an historically crucial time to cultivate strong advocacy on behalf of children and families, F5CA, the First 5 Association, and F5LA will begin actively engaging with Congress and the Administration, working together with national partner organizations and coalitions, and building capacity around federal policy education with First 5 county commissions.

Federal Budget Update

On March 16, 2017, the Trump Administration released its “skinny budget” proposal for FFY 2018–19, which recommended \$54 billion in cuts to domestic programs across 18 federal agencies in order to pay for an equivalent increase in defense spending. The proposed budget cuts, unprecedented in size and scope, included a \$9 billion cut to the U.S. Departments of Education (ED) and almost \$15 billion in cuts to Health and Human Services (HHS).

Although specific details were absent in the proposal, severe cuts to the HHS are likely to affect the health and welfare of poor families and their children, in order to implement the President’s stated priorities to repeal the ACA and reduce Medicaid by as much as \$880 billion. Cuts to the ED hamstring implementation of the bipartisan ESSA and slash K-12 education programs, including the elimination of \$2.3 billion in teacher training and professional development, redirection of \$1 billion in Title I funds away from schools with the neediest children, and elimination of the 21st Century Community Learning Centers Program for before-, after-, and summer-school programs.

On April 28, 2017, Congress faces a deadline to continue to fund the federal government through FFY 2017–18 or risk another government shutdown. In addition to the proposed FFY 2018–19 cuts, the Administration called on Congress to cut an additional \$3 billion in education funding for FFY 2017–18, including cutting \$1.3 billion from Pell Grants for the nation’s lowest income students, \$1.2 billion from Title II to support educators, and almost \$200 million from ESSA’s new Title IV block grants. Although it is unlikely Congress will consider the Administration’s drastic cuts to domestic programs half-way through the FFY, it is likely Congress will pass a full-year continuing resolution to maintain 2016 funding levels through FFY 2017–18, rather than passing an omnibus bill containing programmatic funding changes and rather than shutting down the government.

The First 5 partners are weighing in on the federal appropriations process with shared 2017 draft budget priorities that are reflective of the joint First 5 Federal Policy Paper Draft, including:

- 1) Protecting and maintaining funding for vital children’s and families’ health care programs and services, such as ACA, Medicaid, CHIP, and MIECHV
- 2) Protecting and increasing funding for CCDBG and ESSA implementation
- 3) Preserving and increasing funding for Early Head Start, Head Start, and Early Head Start-Child Care Partnership programs

- 4) Increasing funding to support infants, toddlers, and preschoolers with disabilities through the Individuals with Disabilities Education Act (IDEA) Parts B and C

These policies also are in line with other key national partners and coalitions, in order to create surround sound in Congress from the child health and early education fields.

SUMMARY OF PREVIOUS COMMISSION DISCUSSION AND ACTION

The Legislative Update is a standing item for Commission discussion.

ATTACHMENTS

- A. 2017 Legislative Bills of Interest, Priority Level 1 Bills
- B. [2017–18 Early Childhood Education Coalition Budget Letter to Legislature](#)
- C. [Assembly Budget Request to Fund Improved Child Care Family Eligibility Policies](#)
- D. First 5 Federal Policy Paper Draft



2017 Legislative Bills of Interest

Child Health

AB 15

Maienschein R Denti-Cal program: reimbursement rates.

Current Text: Amended: 3/23/2017 [Text](#)

**Level 1
Support**

Location: 3/21/2017-A. APPR.

Summary: This bill would require the State Department of Health Care Services to increase Denti-Cal provider reimbursement rates for the 15 most common prevention, treatment, and oral evaluation services to the regional average commercial rates, effective January 1, 2018.

[Assembly Health Letter](#)

AB 340

Arambula D Early and Periodic Screening, Diagnosis, and Treatment Program: trauma screening.

Current Text: Introduced: 2/7/2017 [Text](#)

Level 1

Location: 3/21/2017-A. APPR.

Summary: This bill would require, consistent with federal law, that screening services under the EPSDT program include screening for trauma, as defined by the bill and as specified. The bill also would require the Department of Health Care Services, in consultation with the State Department of Social Services and others, to adopt, employ, and develop, as appropriate, tools and protocols for screening children for trauma and would authorize the department to implement, interpret, or make specific the screening tools and protocols by means of all-county letters, plan letters, or plan or provider bulletins, as specified.

AB 753

Caballero D Denti-Cal: improved access.

Current Text: Amended: 3/29/2017 [Text](#)

**Level 1
Support**

Location: 3/2/2017-A. HEALTH

Summary: This bill would require the State Department of Health Care Services to implement specified initiatives designed to significantly improve access to dental services for adults and children in the Medi-Cal program consistent with the California Healthcare, Research and Prevention Tobacco Tax Act of 2016. This bill contains other related provisions and other existing laws.

AB 1340

Maienschein R Continuing medical education: mental and physical health care integration.

Current Text: Introduced: 2/17/2017 [Text](#)

Level 1

Location: 3/13/2017-A. B. P.

Summary: This bill would require the Medical Board of California to consider including in its continuing education requirements a course in integrating mental and physical health care in primary care settings, especially as it pertains to early identification of mental health issues in children and young adults and their appropriate care and treatment.

AB 1520

Burke D Lifting Children and Families Out of Poverty Act of 2017.

Current Text: Introduced: 2/17/2017 [Text](#)

**Level 1
Support**

Location: 3/16/2017-A. HUM. S.

Summary: The bill would state the intent of the Legislature to move toward reducing child poverty in this state by 50% over a 20-year period, commencing with the 2018–19 fiscal year and ending with the 2038–39 fiscal year. The bill would also state the intent of the Legislature to use a specified framework as guiding and nonbinding recommendations for purposes of enacting future legislation to fund programs or services that have been proven to reduce child poverty in California and to fund future innovations that are shown to achieve similar outcomes.

SB 18

Pan D Bill of Rights for the Children and Youth of California: joint legislative committee.

Current Text: Amended: 4/3/2017 [Text](#)

**Level 1
Support**

Location: 12/5/2016-S. RLS.

Summary: This bill would declare the intent of the Legislature to expand and codify the Bill of Rights for Children and Youth of California to establish a comprehensive framework that governs the rights of

all children and youth in California, outlines the research-based essential needs of California's children, and establishes standards relating to the health, safety, well-being, early childhood and educational opportunities, and familial supports necessary for all children to succeed.

SB 300

Monning D Sugar-sweetened beverages: health warnings.

Current Text: Introduced: 2/13/2017 [Text](#)

**Level 1
Support**

Location: 2/23/2017-S. HEALTH

Summary: This bill would establish the Sugar-Sweetened Beverages Health Warning Act, which would prohibit a person from distributing, selling, or offering for sale a sugar-sweetened beverage in a sealed beverage container, or a multipack of sugar-sweetened beverages, in this state unless the beverage container or multipack bears a health warning, as prescribed.

[Senate Support Letter](#)

SB 707

Cannella R) Medi-Cal: Denti-Cal Advisory Group.

Current Text: Introduced: 2/17/2017 [Text](#)

Level 1

Location: 3/9/2017-S. HEALTH

Summary: This bill would, until January 1, 2023, establish the Denti-Cal Advisory Group in the Department of Health Care Services, as specified, for the purpose of studying the policies and priorities of Denti-Cal with the goal of raising the Denti-Cal utilization rate among eligible child beneficiaries to 60% or greater, providing assistance and advice to the department, the Legislature, and the Governor 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 11

McCarty D Child care: early childhood innovation partnerships and grants.

Current Text: Amended: 3/23/2017 [Text](#)

Level 1

Location: 3/23/2017-A. ED.

Summary: This bill would make various findings and declarations regarding child care and would provide that it is the intent of the Legislature to enact legislation that would establish the Early Head Start-Child Care-Early Intervention Partnership and provide funding to establish classroom-based early intervention services to Early Head Start-Child Care programs.

- AB 60** **Santiago D Subsidized child care and development services: eligibility periods.**
Current Text: Introduced: 12/7/2016 [Text](#)
Level 1 **Location:** 3/8/2017-A. APPR.
Support **Summary:** This bill would require that a family, upon establishing initial eligibility or ongoing eligibility for services under the Child Care and Development Services 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 its 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.
[Assembly Human Services Letter](#)
- AB 170** **O'Donnell D Teacher credentialing.**
Current Text: Introduced: 1/17/2017 [Text](#)
Level 1 **Location:** 4/6/2017-A. APPR.
Support **Summary:** This bill would no longer require, for issuance of a multiple subject teaching credential or a preliminary multiple subject teaching credential, that the baccalaureate degree be in a subject other than professional education.
- AB 231** **Chávez R Subsidized child care: eligibility.**
Current Text: Amended: 2/21/2017 [Text](#)
Level 1 **Location:** 2/6/2017-A. HUM. S.
Summary: The Child Care and Development Services Act requires families to meet certain requirements in various areas to be eligible for federal and state subsidized child development services. The act authorizes the Superintendent of Public Instruction to enter into and execute local contractual agreements with any public or private entity or agency for the delivery of child care and development services. This bill would limit a family to a total of not more than 8 years of state-funded child care and development services per child under the act.
- AB 258** **Arambula D Child care and development services: individualized county child care subsidy plan: County of Fresno.**
Current Text: Amended: 3/6/2017 [Text](#)
Level 1 **Location:** 2/13/2017-A. HUM. S.
Summary: This bill would authorize, until January 1, 2025, the County of Fresno to develop an individualized county child care subsidy plan, as specified. The bill would require the plan to be submitted to the local planning council and the Fresno County Board of Supervisors for approval, as specified. The bill would require the Early Education and Support Division of the State Department of Education to review and approve or disapprove the plan and any subsequent modifications to the plan.
- AB 273** **Aguiar-Curry D Child care services: eligibility.**
Current Text: Introduced: 2/1/2017 [Text](#)
Level 1 **Location:** 3/8/2017-A. APPR.
Support **Summary:** The Child Care and Development Services Act requires the Superintendent of Public Instruction to administer child care and development programs that offer a full range of services for eligible children from infancy to 13 years of age. Existing law establishes eligibility requirements and requires families to meet at least one requirement in each of 2 specified areas. This bill would include in the area relating to need, as a requirement that may be satisfied for purposes of eligibility, that the family needs the child care services because the parents are engaged in an educational program for English as a second language learners or to attain a high school diploma or general educational development certificate.

AB 300 **Caballero D** **Child care and development services: individualized county child care subsidy plans: Counties of Monterey, San Benito, Santa Clara, and Santa Cruz.**

Current Text: Amended: 4/6/2017 [Text](#)

Level 1 **Location:** 2/13/2017-A. HUM. S.

Summary: This bill would authorize, until January 1, 2022, the Counties of Monterey, San Benito, and Santa Cruz to develop individualized county child care subsidy plans, as specified. The bill would require the plans to be submitted by the counties to their local planning council and their respective county board of supervisors for approval, as specified. The bill would require the Early Education and Support Division of the State Department of Education to review and approve or disapprove the plans and any subsequent modifications to the plans.

AB 312 **O'Donnell D** **School finance: special education funding.**

Current Text: Amended: 2/28/2017 [Text](#)

Level 1 **Location:** 2/27/2017-A. ED.

Summary: This bill would express the intent of the Legislature to phase-in equalization of SELPA funding rates to an unspecified percentile, commencing with the full implementation of the local control funding formula. The bill would also express the intent of the Legislature to establish a state funding mechanism to provide all local educational agencies with the funding necessary to establish high- quality preschool programs for California's preschool-age children with disabilities in order to give those children the best chance for educational success in the most cost-efficient manner.

AB 377 **Frazier D** **Child care subsidy plans: Counties of San Diego and Solano.**

Current Text: Amended: 3/20/2017 [Text](#)

Level 1 **Location:** 2/21/2017-A. HUM. S.

Summary: This bill would authorize, until January 1, 2023, the County of Solano to develop and implement an individualized county child care subsidy plan, as specified. The bill would require the plan to be submitted to the local planning council and the Solano County Board of Supervisors for approval, as specified. The bill would require the Early Education and Support Division of the State Department of Education to review and approve or disapprove the plan and any subsequent modifications to the plan.

AB 435 **Thurmond D** **Child care subsidy plans: County of Contra Costa.**

Current Text: Introduced: 2/13/2017 [Text](#)

Level 1 **Location:** 2/27/2017-A. HUM. S.

Summary: This bill would authorize, until January 1, 2023, the County of Contra Costa to develop an individualized county child care subsidy plan, as specified. The bill would require the plan to be submitted to the local planning council and the Contra Costa County Board of Supervisors for approval, as specified. The bill would require the Early Education and Support Division of the State Department of Education to review and approve or disapprove the plan and any subsequent modifications to the plan.

AB 540 **Mullin D** **Child care: alternative payment programs: reimbursement rates.**

Current Text: Amended: 3/23/2017 [Text](#)

Level 1 **Location:** 3/23/2017-A. HUM. S.

Summary: This bill would provide that it is the intent of the Legislature to create legislation that would establish an optional statewide child care and education subsidy policy program to increase and encourage county and regional collaboration among subsidized early care and education programs and providers in order to increase access to subsidized services for children and families, promote local flexibility to meet the unique needs of children and families in each county or region, and maximize the utilization of the allocated funding within the county or region.

[AB 605](#) **[Mullin D](#) Day care centers: birth to first grade license option.**

Current Text: Amended: 3/23/2017 [Text](#)

Level 1 **Location:** 3/23/2017-A. HUM. S.

Summary: California Child Day Care Facilities Act, provides for the licensure and regulation of day care centers by the State Department of Social Services. Current law requires the department to develop guidelines and procedures to authorize licensed child day care centers serving infants to create a special program component for children between 18 months to three years of age. This bill would make technical, nonsubstantive changes to those provisions.

[AB 752](#) **[Rubio D](#) Child care: expulsion.**

Current Text: Introduced: 2/15/2017 [Text](#)

Level 1 **Location:** 3/2/2017-A. HUM. S.

Support

Summary: This bill would, prohibit a contracting agency from expelling or unenrolling a child because of a child's behavior unless the contracting agency has explored and documented all possible steps to maintain the child's safe participation in the program and determines, in consultation with the parents or legal guardians of the child, the child's teacher, and, if applicable, the local agency responsible for implementing the Individuals with Disabilities Education Act, and that the child's continued enrollment would present a continued serious safety threat to the child or other enrolled children.

[AB 1106](#) **[Weber D](#) Child care and development services: alternative payment programs: military families.**

Current Text: Amended: 4/3/2017 [Text](#)

Level 1 **Location:** 3/30/2017-A. APPR.

Support

Summary: The Child Care and Development Services Act requires the department to expand existing alternative payment programs and fund new alternative payment programs to the extent that funds are provided by the Legislature. This bill would require an alternative payment program to have no less than 36 months to expend funds allocated to that program in any fiscal year, and would require the Superintendent of Public Instruction to develop a contracting process that provides alternative payment programs no less than 36 months to expend funds allocated to that program in any fiscal year.

[AB 1304](#) **[Melendez R](#) Personal income taxes: exclusion: CalKIDS.**

Current Text: Introduced: 2/17/2017 [Text](#)

Level 1 **Location:** 3/13/2017-A. REV. TAX

Summary: This bill would create the CalKIDS Savings Trust Fund and savings accounts within that fund for each beneficiary for the purpose encouraging and earmarking savings for the costs of child care, education, or other enrichment activities that will prepare the beneficiary for the future or higher education or for the purpose of taking care of elderly dependents. The bill, for taxable years beginning on or after January 1, 2018, would exclude from gross income the moneys deposited in a CalKIDS savings account.

[SB 63](#) **[Jackson D](#) Unlawful employment practice: parental leave.**

Current Text: Amended: 3/23/2017 [Text](#)

Level 1 **Location:** 4/4/2017-S. APPR.

Support

Summary: The bill would prohibit an employer from refusing to allow an employee with more than 12 months of service and 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. The bill would provide that it would not apply to an employee who is subject to both specified state law regarding family care and medical leave, and the federal Family and Medical Leave Act of 1993.

[SB 63 Support Letter](#)

SB 426 **Pan D** **Community-based home visitation pilot program.**

Current Text: Amended: 3/27/2017 [Text](#)

Level 1 **Location:** 2/23/2017-S. HUM. S.

Summary: Office of Child Abuse Prevention evaluates implementation plans and award implementation grants to selected voluntary home visit programs, and existing law requires the office to develop proposed criteria for awarding implementation grants in accordance with each plan's addressing of those elements. This bill would require particular focus on independently evaluated program models with regard to the office's development of the proposed criteria for awarding the implementation grants in accordance with each plan's addressing of those elements.

Revenue and Governance

AB 43 **Thurmond D** **Taxation: prison contracts: goods and services.**

Current Text: Introduced: 12/5/2016 [Text](#)

Level 1 **Location:** 1/19/2017-A. REV. TAX

Support

Summary: Would impose a tax on the privilege of contracting with a state prison, the Department of Corrections and Rehabilitation, or the Department of General Services to provide a state prison with goods and services in the amount of ___ percent of the final contract price for contracts entered into on or after January 1, 2018. The bill would require all amounts paid, less refunds, to be deposited into the State Incarceration Prevention Fund, which this bill would establish in the State Treasury, and would continuously appropriate those moneys for the purposes of providing services to prevent people from being incarcerated and providing early intervention programs, less the amount needed to reimburse the State Board of Equalization and the Attorney General for costs incurred in administering these provisions.

AB 230 **Chávez R** **Income taxes: credit: dependent care.**

Current Text: Introduced: 1/26/2017 [Text](#)

Level 1 **Location:** 4/3/2017-A. APPR.

Summary: This bill, the Personal Income Tax Law, in modified conformity to federal income tax law, authorizes a credit for household and dependent care expenses necessary for gainful employment, as provided. That law provides that the amount of the state credit is a percentage of the allowable federal credit, with the percentage dependent on adjusted gross income, as provided. This bill, for taxable years beginning on or after January 1, 2017, would increase the amount of the applicable state credit percentage and revise adjusted gross income amounts, as provided.

AB 274 **Garcia, Cristina D** **Sales and use taxes: exemption: food products.**

Current Text: Amended: 3/21/2017 [Text](#)

Level 1 **Location:** 3/20/2017-A. REV. TAX

Summary: Sales and use tax laws provide various exemptions from these taxes, including an exemption for food products for human consumption, as provided. This bill would state the intent of the Legislature to enact legislation that defines the term "snack food" for the purposes of these laws.

AB 963 **Gipson D** **Taxation: marijuana.**

Current Text: Amended: 4/5/2017 [Text](#)

Level 1 **Location:** 3/27/2017-A. B. P.

Summary: This bill would provide for the suspension or revocation of those permits, would authorize the board to deny an application for a permit if the applicant had previously been issued a permit that was suspended or revoked, among other reasons, and would set forth the process for appealing permit suspensions, revocations, and application denials.

The bill would also impose specific criminal penalties, including fines and imprisonment, for certain violations of the provisions relating to the cultivation and excise taxes on marijuana and would require funds derived from those fines and collected or paid to the board to be deposited into the Marijuana Tax Fines and Penalties Account, which this bill would create in the California Marijuana Tax Fund. By modifying the scope of a crime and imposing new crimes, the bill would impose a state-mandated local program.

Strong and Engaged Families

AB 992

Arambula D CalWORKs: Baby Wellness and Family Support Home Visiting Program.

Current Text: Amended: 3/28/2017 [Text](#)

**Level 1
Support**

Location: 3/28/2017-A. APPR.

Summary: This bill would, as of January 1, 2018, establish the Baby Wellness and Family Support Home Visiting Program that would require the State Department of Social Services to award funds to counties for the purpose of implementing or contracting with specified early home visiting programs to provide voluntary maternal, infant, and early childhood home visiting programs approved by the department and would authorize the funds to be used to coordinate early home visiting services with, among others, diaper bank services.

AB 1127

Calderon D Baby diaper changing stations.

Current Text: Introduced: 2/17/2017 [Text](#)

Level 1

Location: 3/9/2017-A. B.&P.

Summary: This bill would require new construction or renovation, as specified, of a public building, as specified, that is owned by a state or a local agency, or a portion of a building that is owned by a state or local agency and includes at least one restroom that is open to the public, to provide on each floor level containing one or more restrooms that are accessible to the public at least one safe, sanitary, and convenient baby diaper changing station, as specified. The bill would require each station to be maintained, repaired, and replaced as necessary to ensure safety and ease of use, and to be cleaned with the same frequency as the restroom in which it is located.

AB 1164

Thurmond D Foster care placement: funding.

Current Text: Amended: 3/27/2017 [Text](#)

**Level 1
Support**

Location: 4/4/2017-A. APPR.

Summary: This bill would establish the Child Care Bridge Program for Foster Children (bridge program). The bill would authorize, contingent upon an appropriation of \$22,000,000 annually, county welfare departments to administer the bridge program and distribute vouchers to children between birth and 4 years of age, placed with an approved resource family or the child of a young parent involved in the child welfare system. This bill contains other related provisions and other existing laws.



February 2, 2017

The Honorable Holly Mitchell, Chair
Senate Budget Committee
State Capitol Building, Room 4203
Sacramento, CA 95814

The Honorable Phil Ting, Chair
Assembly Budget Committee
State Capitol Building, Room 6026
Sacramento, CA 95814

The ECE Coalition is a partnership of early childhood education advocacy and service organizations working together to secure access to high quality early learning and care for California's low-income children and families.

The Administration recently announced the largest spending plan in California history and yet reneges on critical commitments to our state's most vulnerable children and families. Leaders last year negotiated a multi-year plan to address the reimbursement rate crisis facing early learning providers and make steady progress toward the state's long-term goal of preschool access for all low-income children. The 2017-2018 budget proposal not only breaks this significant promise, but fails to recognize the urgent need to further stabilize and strengthen our early care and education system.

The [California Budget and Policy Center](#) reports that a typical single mother in California would have to spend two-thirds of her paycheck to cover child care costs. More than 1.2 million children eligible for subsidized child care and preschool do not receive services, yet state programs are still funded 20 percent below pre-recession levels. Making matters worse, two parents working full-time minimum-wage jobs now earn "too much" to qualify for child care assistance, despite staggering housing costs and other economic pressures.

New data indicates not investing in early care and learning may actually slow long-term economic growth in California. Researchers at the University of Southern California and the University of Chicago and [Nobel Prize-winning economist James Heckman](#) found that high-quality early childhood development programs support economic mobility for two generations by freeing working parents to increase wages over time, while their children develop a broad range of foundational skills for lifelong success.

By freezing the commitments made in last year's budget, as well as negating much needed additional investment, the budget proposal ignores well established research and strong public opinion on the value of early care and education. The ECE Coalition respectfully urges you to champion the following priorities in the coming months:

1. *Ensure Access and Affordability*

- x Enact the 2016-2017 budget commitment to incrementally raise both the Regional Market Rate (RMR) and the Standard Reimbursement Rate (SRR) to keep pace with new minimum wage increases, including last year's full 10% increase to the SRR, and begin the regionalization of the SRR;
- x Adopt widely supported child care eligibility policies such as 12-month eligibility periods, income eligibility guidelines based on current State Median Income (SMI) data and increased exit eligibility levels; and
- x Increase funding for the General Child Care and Alternative Payment programs to ensure flexible child care spaces are available to more infants and toddlers, enact the prior commitment to expand the number of spaces in the State Preschool Program, and adopt minor policy changes to ensure new spaces are utilized and preserve parent choice in our mixed delivery system.

2. *Strengthen Infrastructure to Support Quality and Efficiency*

- x Ensure more children and providers benefit from quality improvement and workforce development initiatives by expanding the QRIS block grant so communities have more resources and flexibility to address local needs; and
- x Fund the second phase of the California Resource & Referral Database, www.mychildCareplan.org to allow automated data syncing across the state and ensure it is easy for families to use. These steps are a necessary cornerstone for a comprehensive early learning data system that integrates a workforce registry and Centralized Eligibility List (CEL).
- x Consider the Administration's policy changes closely once we review Budget Trailer Bill language to determine their potential impact and any modifications that may or may not be necessary.

Early care and education is critical to the current and long-term economic and education viability of California. Given the tremendous unmet need for child care among eligible families and the growing pressure on providers to meet minimum wage increases and the rising costs of quality care, now is not the time to assume lower than projected revenues and “pause” investments in the state’s early learning system. We look forward to partnering with you to ensure that that our youngest children and families are prioritized in this year’s budget.

Sincerely,
ECE Coalition

Cc: Chair, California Legislative Women’s Caucus



CHILD CARE LAW CENTER
www.childcarelaw.org



March 23, 2017

The Honorable Phil Ting, Chair
Assembly Budget Committee
State Capitol, Rm 6026
Sacramento, CA 95814

The Honorable Kevin McCarty, Chair
Assembly Budget Subcommittee No. 2 on Education
State Capitol, Rm 2136
Sacramento, CA 95814

The Honorable Joaquin Arambula, Chair
Assembly Budget Subcommittee No. 1 on Human Services
State Capitol, Rm 5155
Sacramento, CA 95814

Re: Budget Request to Fund Improved Child Care Family Eligibility Policies

Dear Assemblymembers Ting, McCarty, and Arambula:

Parent Voices, the Child Care Law Center, and First 5 California respectfully request that the Assembly Budget Committee and Subcommittees on Education and Human Services place this funding request on your agenda for the hearing on the child care budget and prioritize a budget allocation of \$30 million to update our state's subsidized child care eligibility policies and improve the state Child Care Development Programs administered by the California Department of Education (CDE).

Specifically, we recommend prioritizing a funding request and trailer bill language to:

- x Update statewide child care income guidelines – frozen since 2007 – by taking into account the increased state minimum wage and cost of living in California;
- x Establish continuous, affordable child care and streamline reporting requirements, minimizing disruptions in care;
- x Allow parents to increase their earnings up to 85% of State Median Income (SMI), so they do not abruptly lose their affordable child care, preschool, or after-school care when their income exceeds 70% of SMI.

These provisions allow parents earning the minimum wage to keep their affordable child care so they can continue to work and their children can stay in their child care, preschool, or after-

school programs. It also allows children to stay in child care for as long as needed, streamlining the reporting rules that currently burden families, employers, child care providers, and administrators.

Our budget request implements key recommendations of the AB 104 Stakeholder Group on program efficiencies and program access.¹ It also implements the top two recommendations of the Governor-appointed California State Advisory Council on Early Learning and Care to address impacts of the minimum wage increases on the early learning and care system.² Parents earning only 50 cents more per hour are losing their affordable child care and cannot pay the hundreds to thousands of dollars in full child care expenses. In raising the state minimum wage, California wisely invested in a more prosperous future for everyone. However, we will squander that investment if parents lose their affordable child care. Because the new minimum wage applies statewide, we need a statewide solution. There is broad consensus among parents, child care administrators, and advocates that the policies recommended here are needed so parents can continue to work and children can thrive.

Last year, AB 2150 (Santiago, Gonzalez & Weber), which contained all the provisions in this budget request, had an Assembly Appropriations cost range estimate of \$1 million to \$5 million, with some additional administrative costs. In contrast, the Department of Finance (DOF) stamped AB 2150 with an annual cost *ceiling* of \$30 million, identified as a worst-case cost scenario. Without consistent statewide data about why families leave the CDE child care programs (i.e., parents move, no longer need child care), the DOF cost ceiling assumed no family would *ever* leave child care, preschool or afterschool programs for any reason unless they became financially ineligible. The DOF cost ceiling did not take into account the increase in family fees that the state would receive, or that the policies would enable counties to better maximize the use of their allocated child care dollars. Each year, *every* county in California returns **unused** child care dollars, in part due to outdated income eligibility requirements and the administrative “churn” experienced by families whose child care services are terminated when they fail to meet the frequent reporting rules. For example, in 2014 – 2015, counties returned \$131 million of appropriated, unspent child care dollars to the state general fund.

Both the Assembly Appropriations cost estimate and DOF cost ceiling are based on enrollment projections for the CalWORKs Stage 2 and Stage 3 child care programs, which are case driven programs. While we do not agree with the DOF’s unrealistic price tag, we believe \$30 million is a reasonable price to pay to keep parents working and children in their child care, preschool, and after-school programs statewide. The benefits of these policy changes, which would create a pathway for families to achieve economic security, far exceed this budget request.

¹ The AB 104 Stakeholder Group was required by the 2015 – 16 Budget Act trailer bill. The AB 104 Stakeholder Group, comprised of State Agency Designees, Direct Service Program Providers, Alternative Payment Program Providers, and child care advocates was tasked with providing recommendations for streamlining data and reporting requirements for child care and early learning providers that contract with the CDE. See <http://www.cde.ca.gov/sp/cd/ce/documents/finalab104recommends.xls>, <http://www.cde.ca.gov/sp/cd/ce/documents/ab104updatejuly2016.pdf>.

² The Governor’s State Advisory Council for Early Learning and Care (CSAC), Minimum Wage Task Force Report, *Bringing Child Care Policy in Line with the New Minimum Wage, Successfully Implementing Minimum Wage Laws for Child Care Providers and Families*, at 3, available at <http://www.cde.ca.gov/sp/cd/ce/documents/minwagebrochure.pdf>. (2017).

Thank you for your consideration of this request to have child care eligibility placed on the budget hearing agenda and for funding.³

Sincerely,



Mary Ignatius
Parent Voices



Laurie Furstenfeld & Patti Prunhuber
Child Care Law Center



Camille Maben
First 5 California

cc: Assembly Speaker Anthony Rendon
Assembly Budget Subcommittee No. 1 Members
Assembly Budget Subcommittee No. 2 Members
Assemblymember Miguel Santiago
Assemblymember Lorena Gonzalez Fletcher
Gail Gronert, Special Assistant to the Speaker at the CA State Assembly
Christian Griffith, Chief Consultant, Assembly Budget
Nicole Vasquez, Deputy Chief Consultant, Assembly Budget
Misty Feusahrens, Deputy Chief Consultant, Assembly Appropriations
Stacey Reardon, Legislative Assistant to Assemblymember Rendon
Katie Hardeman, Consultant, Subcommittee 2 on Education Finance

³ We would be pleased to provide you with the precise trailer bill language to be included to implement these policies.

Our Mission and Policy Priorities

The greatest opportunities to improve the trajectory of a child's life happen during pregnancy and the first five years of life when a child's brain undergoes dramatic growth. The First 5s lead California-wide efforts to champion the complex needs of young children and their families through strong, effective and proven systems of care. The First 5s advocate for the strong start all children deserve to optimize early childhood development and reduce childhood poverty.

Established by California voters through the passage of Proposition 10, First 5 commissions in all 58 counties now have nearly 20 years of on-the-ground experience to make kids healthy, safe, and ready to learn beginning with necessary prenatal and early supports for all children.



POLICY PRIORITIES

- Supporting resilient families and safe homes
- Preventative health services and oral health care
- Developmental screening and early intervention
- Kindergarten readiness and quality early learning
- Building coordinated and sustainable systems for children ages 0-5 and their families

CHILDREN AND FAMILIES IN CALIFORNIA FACE REAL CHALLENGES

Medicaid births	50%
Living in poverty	24%
Reported for abuse or neglect at least once ..	14%
Not screened for development delays	67%
Eligible infants and toddlers NOT placed in subsidized child care	91%



2017 First 5 Federal Policy Agenda

BUILDING STRONG FAMILIES

Home Visiting

First 5s support the extension and expansion of the Maternal Infant and Early Childhood Home Visitation Program (MIECHV) with increased funding. The program expires in September, 2017. Created in 2010, MIECHV provides \$400 million per year for states to create or supplement existing home visitation programs. MIECHV facilitates partnership at the federal, state, and local levels to improve the health of at-risk children through evidence-based and promising practices home visiting programs. In FY2016, California received \$22 million from the program in both formula and competitive funds.

Paid Family Leave

Ensuring parents have time to bond with a new child is critical for improving health outcomes for both babies and mothers, and helps build resilient families. **First 5 supports job-protected and paid family leave because parents should not have to choose between keeping their job and caring for a new child.**

PROTECTING CHILDREN'S HEALTHCARE

Affordable Care Act (ACA) and Medicaid

First 5s oppose efforts to repeal the ACA and efforts to restructure or limit the Medicaid entitlement and reduce federal funding. In particular, First 5s opposes efforts to repeal the "essential health benefits" provisions of the ACA, which are critical to improving outcomes for children. These provisions require all health insurance plans in the marketplace to provide a set of health care services, including: pregnancy, maternal, and newborn care; and preventive services such as behavioral and developmental screening for children. These essential health benefits are critical to improving outcomes for children.

In addition to critical health care services and supports for eligible children and families, Medicaid also reimburses states for Early and Periodic Screening, Diagnostic, and Treatment services (EPSDT) for low-income children. First 5s strongly support efforts to maintain the Medicaid entitlement and the federal funding necessary to ensure families continue to receive critical, comprehensive access to care.

Children's Health Insurance Program (CHIP)

Funding for the Children's Health Insurance Program (CHIP), which provides critical health coverage to eligible children, expires on September 30, 2017. **First 5s support an extension of CHIP.**

Developmental Screenings

First 5s support universal screening and effective referrals for children through 36 months of age to ensure early identification of developmental and/or behavioral concerns.

Trauma Informed Care

First 5s support efforts to build and promote the capacity of health care and education systems to realize, recognize and respond to families and their young children who have experienced trauma in their lives.

SUPPORTING EARLY CARE AND EDUCATION

CCDBG implementation / funding

The Child Care Development Block Grant (CCDBG) provides direct assistance to low-income families to help them with the costs of quality child care. **First 5s support increased funding for CCDBG to ensure California's children and families get the high-quality child care they need.** Additional federal resources are necessary to meet the needs of low-income children and families in California and to enable the state to comply with the new requirements of the law.

Every Student Succeeds Act (ESSA)

The newly reauthorized ESSA recognizes early learning as a critical component of the P-12 continuum, and includes a number of opportunities for states and school districts to improve access to high quality early learning and improve alignment and collaboration from birth through third grade. **First 5s support robust implementation of the early learning provisions of ESSA through full funding for the law and specific guidance from the United States Department of Education.**

Early Head Start and Head Start

First 5s support preserving both the Early Head Start and Head Start programs to continue to meet the comprehensive needs of low-income children and families throughout California, and help them enter school ready to succeed. Children who participate in Early Head Start and Head Start programs receive many benefits, including improved social emotional, language, and cognitive outcomes. This is particularly true for low-income children, dual language learners, and children who are homeless or in foster care.

Tax incentives to support early care and education

First 5s look forward to working with the Administration and Congress on tax incentives that make quality early care and education more affordable for families - particularly for low-income families and parents working non-traditional work hours.

PROTECTING FEDERAL BUDGET FUNDING

First 5s support increased funding for early childhood health and education programs in the FY18 budget.

In accordance with the Budget Control Act of 2011, however, non-defense discretionary (NDD) spending in 2018 will be 16% below the 2010 level, adjusted for inflation, if full sequestration cuts take effect. President Trump plans to raise defense funding by \$54 billion in 2018 and cut NDD spending by the same amount. The additional \$54 billion cut would come on top of sequestration and have extremely detrimental effects on important programs for children and working families.