

2019-20 Proposed Budget Summary (5/28/2019)

	<b>JANUARY BUDGET PROPOSAL</b>	<b>MAY REVISE</b>	<b>Senate Budget Package Per 5/15/19 Sub. 1 Hearing Agenda</b>	<b>Assembly Budget Package Per 5/22/19 Sub. 2 Hearing Agenda</b>	<b>Final FY20 Budget</b>
<b>Child Care and Early Learning</b>					
Early Learning and Care Master Plan	<b>\$10 million for the State Board of Education</b> develop a long-term plan to improve access to and quality of subsidized child care.	No noted change	<b>Approves Governor’s proposal with following amendments:</b> <ul style="list-style-type: none"> <li>• <b>Reduce SBE research plan to \$5 million</b></li> <li>• Require the SBE to convene stakeholders to recommend priority areas of study related to gaps in the current research</li> <li>• Require reporting to Department of Finance with notification to JLBC on selected studies and costs before expenditure of funds for research studies</li> <li>• Of the \$5 million total, provide \$1 million each for a study on facilities arrangements and a study on child care and accessibility recommendations</li> <li>• Extend the reports to include care for ages 0-12, with focus on ages 0-5;</li> <li>• Remove the exemptions to the regular contracting process.</li> </ul>	<b>Approves Governor’s proposal with following amendments:</b> <ul style="list-style-type: none"> <li>• <b>Reduce SBE research plan to \$5 million</b></li> <li>• Require the SBE to convene stakeholders to recommend priority areas of study related to gaps in the current research</li> <li>• Require reporting to Department of Finance with notification to JLBC on selected studies and costs before expenditure of funds for research studies</li> <li>• Of the \$5 million total, provide \$1 million each for a study on facilities arrangements and a study on child care and accessibility recommendations</li> <li>• Extend the reports to include care for ages 0-12, with focus on ages 0-5;</li> <li>• Remove the exemptions to the regular contracting process. Additionally, <b>provides \$2.25 million in ongoing General Fund to establish the Early Childhood Policy Council to continue and build on the work of the Assembly Blue Ribbon Commission on Early Childhood Education.</b> Includes <b>parent and workforce advisory committees</b> to work toward the recommendations outlined in Blue Ribbon Commission report.</li> </ul>	<b>\$5 million one time</b> for the Master Plan on Early Learning and Care  <b>\$2.2 million available until June 2022</b> for the Early Childhood Policy Council
Facilities	<b>\$245 million one-time General Fund for child-care facilities.</b> Does not indicate if this funding would augment existing facility funding programs or create a new program.		<b>Adopt TBL with following amendments:</b> <ul style="list-style-type: none"> <li>• Specify that of the funds provided in the 2020-21 through 2023-24 fiscal years, up to 5 percent shall be set-aside for the purpose of assisting those who need to make <b>facilities modifications to meet licensing requirements</b> or who have been <b>cited for health and safety violations that would lead to termination of their license</b></li> <li>• <b>Require quarterly reporting</b> to the appropriate policy and fiscal committees each fiscal year</li> </ul>	<b>Approves January proposal and adopts TBL to align with AB 452 (Mullin) with following amendments:</b> <ul style="list-style-type: none"> <li>• Transfers funding in the Child Care Facilities Revolving Loan Fund into Early Learning and Care Infrastructure Grant Program December 31, 2019</li> <li>• Allows CDE to use up to 5% of the grant funding to contract with financial intermediaries in order to provide TA and support to grantees</li> </ul>	<b>\$273 million:</b> <ul style="list-style-type: none"> <li>• <b>\$263 million</b> for the Early Learning &amp; Care Infrastructure Grant Program. Only available to centers in year 1.</li> <li>• <b>\$10 million Prop 98</b> for the Inclusive Early Education Expansion Program</li> </ul> <p>Allows CDE to use up to 5% of the grant funding for TA</p>
Workforce Development	<b>\$245 million for child care workforce.</b> No details in the plan, though the stated goal is to “improve the quality of child care and move child care professionals along the early education/child care professional continuum”		<b>Adopt TBL with following amendments:</b> <ul style="list-style-type: none"> <li>• <b>Broaden educational activities to include trainings and support activities</b> to increase a provider’s ability to provide quality care and <b>make funding available for a broader range of providers and</b></li> </ul>	<b>Approves the Governor’s January proposal and May Revision</b> proposed trailer bill language with additional modifications to <b>align with AB 324 (Aguiar-Curry).</b>	<b>\$195 million one-time</b> for the Early Learning & Care Workforce Development Grant  Adopts TBL to expand trainings and support activities to a range of providers, specifies stipends and professional development are

			<p><b>learning needs</b>, including for providers who serve a population where English is the second language</p> <ul style="list-style-type: none"> <li>• Include educational opportunities for training and capacity building around operating a <b>child care as a small business</b></li> <li>• <b>Require quarterly reporting</b> to the appropriate policy and fiscal committees each fiscal year</li> </ul>		aligned with Quality Counts California.
Alternative Payment		<b>\$80.5 million from the Cannabis Tax Fund AP slots</b> which would serve about 8,700 children.	<b>Provide \$90 million in 2019-20 and \$150 million ongoing General Fund to provide additional AP and General Child Care infant and toddler slots.</b> This action provides 12,250 AP slots and 1,800 General Child Care slots.	<b>Rejects May Revision proposal.</b> Instead, dedicate the \$80.5 million to increases rates for ASES program <b>\$166 million in ongoing funding</b> (\$153.2 million General Fund and \$12.8 million federal funds) for <b>16,831 AP vouchers</b> and <b>\$100 million in ongoing General Fund for 6,172 General Child Care slots</b> in order to increase access to subsidized child care for low-income families.	<b>\$93 million for AP vouchers (9,459):</b> <ul style="list-style-type: none"> <li>• <b>\$80.5 million ongoing (Prop 64)</b></li> <li>• <b>\$12.8 million ongoing (CCDBG)</b></li> </ul> <b>\$50 million one-time General Fund</b> for general child care with a shift to Prop 64 in the future. (3,086)
Non-CalWORKs	<b>Non-CalWORKs Child Care – \$79 million for a 3.46% COLA for non-CalWORKs child care</b> and State Preschool programs and decreases slots by \$20 million to reflect a decrease in the birth to age four population.	<b>3.26% for non-Prop 98 child care, which equates to \$63.2 million</b>	Adopt May Revision	Adopt May Revision	<b>3.26% for non-Prop 98 child care, which equates to \$63.2 million</b>
CalWORKS Stage 1	<b>CalWORKS Stage 1 Increase.</b> Includes \$40.7 million in 2019-20 (\$50.4 million in future years) in General Fund to provide 12 months of child care eligibility for CalWORKS recipients in Stage 1.	<b>\$40.7 million General Fund to implement a 12-month eligibility period for certain CalWORKs families.</b> Intended to stabilize childcare for welfare-to-work families. The ongoing cost is estimated to increase to \$54.2 million General Fund in future years.			<b>\$56.4 million General Fund FY20, \$70.5 million ongoing</b>
CalWORKS Stages 2 and 3	<b>Increases funding for CalWORKS Stages 2 and 3 child care by \$38.2 million,</b> reflecting changes in caseload adjustments	<b>Increases January Budget Allocation by \$17.5 million Stage 2 &amp; \$20.6 million Stage 3</b>	Adopt May Revision	Adopt May Revision	<b>\$157.5 million</b>
Emergency Childcare Voucher Pilot Program	--	<b>\$12.8 million in federal funds for a pilot emergency child care program.</b> Allows alternative payment agencies to provide emergency child care vouchers for families in crisis that are currently on the wait list and in need of temporary assistance.	<b>Reject this proposal,</b> redirect the funds to provide ongoing AP slots to provide access to stable long-term care for families	<b>Rejects May Revision Proposal</b>	---
Quality Counts		<b>\$2.2 million ongoing federal funds through Quality Counts California</b> to improve child care quality	Adopt May Revision	Adopt May Revision	<b>\$2.2 million</b> is included in the \$195 million Workforce Development funds
Universal Preschool	<ul style="list-style-type: none"> <li>• <b>\$124.9 million General Fund to increase the number of slots in the CSPP</b> to provide full-day, full-year access to State Preschool to all eligible low-income four-year-olds, with the goal of adding a total of 200,000 slots by 2021-22.</li> <li>• <b>Shifts \$297.1 million Prop 98 General Fund for the CSPP to the non-Prop 98 General Fund.</b> Shifting funds out of the Prop. 98 General Fund frees up funding</li> </ul>	<b>Delay the release date for the first 10,000 slots to April 1, 2020</b> and postpone the remaining final 20,000 slots (total of 30,000 slots over 3 years)	Adopt May Revision	Adopt May Revision <ul style="list-style-type: none"> <li>• Plus TBL to expand eligibility for the State Preschool program to include all families that live in a school attendance area where 80 percent or more students qualify for Free or Reduced Price Meal (FRPM).</li> </ul>	<b>\$31 million ongoing</b> for 10,000 full-day slots for non-LEAs beginning April 1, 2020. <ul style="list-style-type: none"> <li>• Plus TBL to expand eligibility for the State Preschool program to include all families that live in a school attendance area where 80 percent or more students qualify for Free or Reduced Price Meal (FRPM).</li> </ul>

	<p>for non-LEAs that have the capacity to serve children not served by LEAs.</p> <ul style="list-style-type: none"> <li>• <b>Eliminates the parental work and school requirement for the full-day CSPP</b></li> </ul>				
Universal Full-day Kindergarten	<p><b>\$750 million one-time non-Prop 98 General Fund to assist schools in constructing or retrofitting facilities</b> to expand access to full-day kindergarten programs</p>	<p><b>Adjusts the proposal to \$600 million one-time non-Prop 98 General Fund</b></p> <p>Added several revisions so funding is better targeted at expanding access to full-day kindergarten programs:</p> <ul style="list-style-type: none"> <li>• <b>Makes funding available over a three-year period</b>, but with eligibility limited during the first two years to schools that will convert from part-day to full-day kindergarten programs</li> <li>• To provide a greater fiscal incentive, <b>increase the state share of the facility grant from 50 percent to 75 percent for schools converting from part-day to full-day kindergarten</b></li> </ul>	<p><b>Reduced to \$150 million one time for facilities</b></p>	<ul style="list-style-type: none"> <li>• <b>Reduced the grant from \$600 million to \$200 million</b> in one-time non-Prop 98 General Fund to be used over 3 years.</li> <li>• Expands eligibility to include facilities for LEAs to expand full-day State Preschool programs.</li> <li>• <b>Rejects the Governor’s proposed trailer bill language to increase the state share of the facility grant from 50 percent to 75 percent.</b></li> </ul>	<p><b>\$300 million one-time General Fund</b> for Full-Day Kindergarten Facilities Grant Program.</p>

**REDUCING CHILD POVERTY**

Local Child Support Agencies	<p><b>Additional \$56 million for Local Child Support Agency administrative costs</b> (\$36.9 million federal funds and \$19.1 million General Fund). The first of three year phase-in implementation. This creates more equitable funding across all local agencies and is anticipated to increase annual child support collections by hundreds of millions. The funding will be allocated to 21 counties with relatively lower funding levels.</p>	--			<p><b>\$19.1 million General Fund in 2019-20, growing to \$57.2 million General Fund</b> beginning in 2021-22, to implement a Local Child Support Agency funding methodology for administrative costs.</p>
Student Parents	<p><b>\$121.6 million General Fund to increase Cal Grants for students with dependent children.</b> The spending plan proposes supporting CSU, UC and CCC students with dependent children.</p>	--			<p><b>\$96.7 million ongoing General Fund to increase Cal Grants for students with dependent children.</b> The spending plan proposes supporting CSU, UC and CCC students with dependent children.</p>

**EARLY CHILDHOOD HEALTH AND WELLNESS**

Trauma and Developmental Screenings	<p><b>\$45 million to the Department of Health Care Services for ACEs screenings for children and adults in the Medi-Cal program</b> (\$22.5 million federal funding and \$22.5 million Prop 56 funds)  <b>\$60 million for the Department to Health Care Services to increase developmental</b></p>	<p><b>\$25 million to train providers who will be administering screenings for trauma for children</b> (\$20 million in 2020-21, and \$15 million in 2021-22 Prop 56 funds)                  Includes adjustments on trauma and developmental screenings to reflect cash-based accounting in Medi-Cal.</p>			<p><b>\$30.8 million ongoing federal funds and \$23.1 million ongoing Proposition 56 funds</b> for developmental screenings for children in the Medi-Cal program and <b>\$27.2 million ongoing federal funds and \$13.6 million ongoing Proposition 56 funds</b> for trauma screenings for children and adults in the</p>
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	screenings for children (\$30 million federal funds and \$30 million Prop 56 funds)				Medi-Cal program. Until December 21, 2021.
Home Visiting and Black Infant Health Programs	<p><b>Allocates \$78.9 million in a mix of federal funds and General Fund to provide home visiting services to eligible CalWORKs families.</b></p> <ul style="list-style-type: none"> <li>• <b>\$30.5 to public health</b> <ul style="list-style-type: none"> <li>○ <b>\$23 million General Fund to expand home visiting programs outside of the CalWORKs program for low-income mothers.</b> Currently, federal funding funds home visiting programs for pregnant and newly parenting families who are at risk for adverse childhood experiences. This represents the state's first financial investment in home visiting for non-CalWORKs families.</li> <li>○ <b>\$7.5 million to increase participation in the Black Infant Health program,</b> which aims to improve African-American infant and maternal health through group support services and case management.</li> </ul> </li> </ul>	<p><b>Additional \$10.7 million General Fund and federal TANF block grant funds</b> to reflect updated projections of CalWORKs cases eligible for home visiting services. This increase brings <b>total funding in 2019-20 for the Home Visiting program to \$89.6 million</b>, which is expected to serve 18,500 CalWORKs cases.</p> <p>Includes <b>\$34.8 million federal funding to reflect reimbursements from the Department of Health Care Services</b> for Medicaid-eligible activities previously not reflected in the Governor's Budget</p> <ul style="list-style-type: none"> <li>• <b>\$22.9 million additional to Home Visiting</b></li> <li>• <b>\$12 million additional to Black Infant Health Program</b></li> </ul>			<p><b>\$89.6 million General Fund and federal TANF block grant funds in 2018-19 and approximately \$167 million ongoing</b> for the CalWORKs Home Visiting Program, and expands program eligibility beyond first-time parents. The CalWORKs Home Visiting Program is expected to serve 18,500 cases.</p> <p><b>\$34.8 million ongoing reimbursements and \$30.5 million ongoing General Fund</b> to expand the California Home Visiting Program and the Black Infant Health Program in the Department of Public Health.</p> <ul style="list-style-type: none"> <li>• \$22.9 million reimbursements and \$23 million General Fund will support expansion of the California Home Visiting Program</li> <li>• \$11.9 million reimbursements and \$7.5 million General Fund is to increase participation in the Black Infant Health Program, including the California Perinatal Equity Initiative</li> </ul>
Emergency Childcare Bridge Program for Foster Children		--		<p><b>\$47 million increase to Emergency Child Care Bridge</b></p> <ul style="list-style-type: none"> <li>• <b>\$38 million additional vouchers</b></li> <li>• <b>\$5 million additional navigators</b> who are working to find child care for foster children</li> <li>• <b>\$4 million trauma-informed training</b> for child care providers who care for foster children in early childhood programs</li> </ul>	<b>\$10 million General Fund</b> for child care vouchers until December 31, 2021.
Paid Family Leave (PFL)	<p><b>Commitment to expand the PFL program to 6 months in future years.</b> Would adjust the reserve requirement for the special fund that pays PFL claims.</p> <p><b>Convene a task force to study different options for expanding the program,</b> including for caregivers with low-incomes who may not be able to afford to take time off of work to care for their family</p>	<p>Takes the first steps by <b>extending the duration of the PFL program from 6 weeks to 8 weeks, effective July 1, 2020.</b> The state will <b>reduce the minimum reserve balance to a lower level</b>, which the Administration states will be adequate.</p> <p><b>Affirms the plan to convene a PFL task force in the near future.</b></p>			<b>Extends Paid Family Leave from 6 weeks to 8 weeks, effective, July 1, 2020.</b>
<b>STATE OPERATIONS</b>					
Child Savings Account (CSA)	One-time investment of \$50 million General Fund to <b>support pilot programs to increase access to CSAs among incoming kindergarteners.</b>	Maintains one-time investment of \$50 million General Fund for CSA pilot programs and <b>identifies California Student Aid Commission, with consultation from First 5 California, as the administrator of the pilot programs.</b>			<b>\$25 million one-time General Fund</b> to support grants to local governments and nonprofit organizations that sponsor or create local or regional child savings account programs.
CDE State Operations				<b>Provides additional \$2 million in ongoing General Fund to support CDE Early Learning and Care Division</b> in implementing the investments made for early childhood	<b>Provides additional \$1 million in ongoing General Fund to support CDE Early Learning and Care Division</b> in implementing the investments made for early childhood

				education	education
Data Infrastructure				Provides \$30 million in on-time General Fund for CDE to improve data collection <ul style="list-style-type: none"> <li>\$16 million to begin a state program reporting system for state-funded CDE programs</li> <li>\$10 million to improve local strategic planning councils</li> <li>\$4 million for provider organization information collection</li> </ul>	<b>\$20 million in on-time General Fund</b> for CDE to improve data collection <ul style="list-style-type: none"> <li>\$10 million for data system for state-funded ECE programs</li> <li>\$410million for provider organization information collection</li> </ul>
Reimbursement Rate Reform				Adopts TBL to establish a <b>single regionalized state reimbursement rate for subsidized child care and prechool</b> <ul style="list-style-type: none"> <li>Provides \$45 million in 2019-20 (\$21.6 million General Fund and \$23.4 million Prop 98) and \$88 million in ongoing funding toward increasing rates under the new single reimbursement rate system.</li> </ul>	---
Child Care Cost of Living Adjustment		Decrease by \$2.15 million non-Prop 98 General Fund to reflect the application of a COLA adjustment (COLA decreased from 3.46 to 3.26 percent at the May Revision)	Adopt May Revision	Adopt May Revision	<b>3.26% COLA for non-Prop 98 child care</b>