



GOVERNOR INTRODUCES PROPOSED BUDGET – FY 2019-20 EARLY CARE AND EDUCATION ITEMS

Overview

Governor Gavin Newsom released his proposed budget for 2019-20 on January 10, 2019 that includes bold investments focused on helping children and families move out of poverty and improve their overall well-being. Among his investments, the Governor proposes increasing access and strengthening early care and education programs serving young children and their families, reducing barriers to full day kindergarten, and expanding California's Paid Family Leave Program. This paper serves as a preliminary summary of the Governor's proposals for bolstering funding for early care and education and other related services that contribute to stronger families and child well-being.

Table 1 on page 4 specifies the funding allocations by program type for 2019-20 compared to the Budget Act of 2018-19.

Early Care and Education Items

Universal Preschool – Funds full-day, full-year access to all eligible low-income four-year-old children as a first step in a three-year phase in period towards universal preschool (\$124.9 million non-Proposition 98 General Fund). Additional investments in the two succeeding years is expected to result in a total 200,000 slots by 2021-22. In addition, eliminates the requirements that families with four-year-old children need proof of employment or enrollment in higher education to access the full-day program.

State Preschool Slots – Reflects full-year costs of 2,959 full-day state preschool slots implemented part-way through the 2018-19 fiscal year (\$26.8 million Proposition 98 General Fund).

Access and Quality – Expands facilities for subsidized early care and education services and invests in the workforce to support their movement along the education/professional continuum and improve the quality of the services (\$500 million one-time General Fund).

Infrastructure Planning – Requires the State Board of Education in consultation with the Department of Finance and the Department of Social Services to contract with a research and analysis entity to develop a roadmap for universal preschool as well as a long-term plan to improve access to and the quality of subsidized early care and education programs. The plan is to be developed during the budget year in consultation with stakeholders and experts (\$10 million General Fund).

Cost-of-Living Adjustment (COLA) – Provides a 3.46 percent COLA for categorical programs outside of the K-12 Local Control Funding Formula, including Child Nutrition and early care and education services.

CalWORKs Stages 2 and 3 Child Care – Adjusts funding to reflect anticipated increased caseloads of families eligible for CalWORKs Stage 2 and 3 Child Care (\$119 million non-Proposition 98 General Fund for total costs of \$597 million and \$482 million, respectively).

California State University Child Care – Funds the expansion of early care and education facilities to meet the needs of student parents attending California institutions of higher learning (\$247 million one-time General Fund).

Cradle to Career Data System – Proposes building a comprehensive, longitudinal data system to track the impacts of state investments on achieving educational goals designed to connect student information from early education providers, K-12 schools, higher education institutions, employers, other workforce entities, and health and human services agencies (\$10 million one-time non-Proposition General Funds).

Additional Investments in Children and Families

Universal Full-Day Kindergarten – Builds upon recent investments to eligible school districts to construct new or retrofit existing school facilities for full-day kindergarten programs to reduce barriers to enrollment (\$750 million one-time non-Proposition 98 General Fund).

Paid Family Leave – Expands the Paid Family Leave program to allow a parent or close family member to promote bonding with their newborn or newly adopted baby during the baby's first six months of life. In the short term, proposes supporting the program by adjusting the reserve requirement to allow the state to make a down payment. During the year, the Administration plans to convene a task force to explore options for phasing in and expanding the Paid Family Leave program.

Home Visitation/CalWORKs – Expands home visiting programs targeted to pregnant and parent women under the age of two up to 24 months with priority to first time parents receiving CalWORKs assistance (\$78.9 million of federal and General Funds combined).

Home Visitation/Public Health – Augments the Department of Public Health's home visiting programs with a focus on low-income, young mothers and the use of a wider range of home visiting models based on varying family needs (\$23 million General Fund). In addition, proposes increasing funding to the Black Infant Health Program to improve African-American infant and maternal health through case management and home visiting services (\$7.5 million General Fund).

Developmental Screenings – Includes funding to provide early developmental screenings for children (\$60 million of which \$56 million Proposition 56 funds) and adverse childhood experiences (ACEs) screenings for children and adults in the Medi-Cal program (\$45 million of which \$22.5 million Proposition 56).

Child Savings Account – Supports pilot projects and partnerships with First 5 California and local First 5 Commissions, local government and philanthropy to develop or strengthen cost-effective models for replication or expansion to help families with incoming kindergartners build assets for their children's post-secondary education through access to Child Savings Accounts (\$50 million one-time General Fund).

Working Families Tax Credit – Expands California's Earned Income Tax Credit with an additional \$500 credit for low-income working families with children under six years old. In addition, increases the maximum eligible earned income so that full-time workers earning \$15 per hour will be eligible for the credit. The budget also proposes allowing workers to receive their credit in monthly installments rather than in a one-year lump sum.

Concluding Statements

While Governor Newsom's proposed investments in early care and education are historic, his budget overlooks the significant gap in services available for babies and toddlers of low-income working families. In Los Angeles County, only six percent of 51 percent of eligible babies and toddlers of low-income, working families are served by state subsidized programs. Furthermore, the Governor does not address the reimbursement rates for subsidized services that continue to lag behind the cost of operating programs that meet higher quality standards as set forth by the quality rating and improvement system being implemented across the state.

Concurrently, the Governor's proposal to expand the Paid Family Leave program for up to six months is a step in the right direction to allow parents opportunities to bond with their very young children, which would also lift the burden of cost for serving infants in early care and education programs. The Office for the Advancement of Early Care and Education will monitor throughout the legislative process this proposal as well as all the budget proposals that are likely to impact the early care and education system and the families it serves.

For More Information

Questions and comments regarding this summary may be referred to Michele Sartell, staff with the Office for the Advancement of Early Care and Education located within the Department of Public Health/Maternal, Child and Adolescent Health Division by e-mail at msartell@ph.lacounty.gov or by telephone at (213) 639-6239.

Table 1. Comparison between the Budget Act of 2018-19 and the Proposed Budget for Fiscal Year 2019-20

Program Type	Budget Act of 2018	Proposed 2019-20			Difference
		Totals - 2018-19 Budget Proposals	State General Funds	Federal Funds	
General Child Development	\$588,409,000	\$637,758,000	\$453,531,000	\$184,227,000	\$49,349,000
Migrant Day Care	\$40,080,000	\$44,849,000	\$39,438,000	\$5,411,000	\$4,769,000
Alternative Payment Program	\$529,675,000	\$340,049,000	\$170,051,000	\$170,199,000	(\$186,626,000)
Resource and Referral	\$19,691,000	\$20,372,000	\$20,372,000		\$681,000
CalWORKs Stage 2	\$559,923,000	\$597,049,000	\$516,413,000	\$80,636,000	\$37,126,000
CalWORKs Stage 3	\$398,552,000	\$482,213,000	\$305,411,000	\$176,802,000	\$83,661,000
Accounts Payable	\$4,000,000	\$4,000,000	\$4,000,000		
Child Care for Children with Disabilities	\$2,032,000	\$2,084,000	\$2,084,000		52,000
California Child Care Initiative	\$225,000	\$225,000	\$225,000		
Quality Improvement	\$116,805,000	\$600,762,000	\$501,461,000 ¹	\$99,301,000	\$483,957,000
Local Planning Councils	\$3,497,000	\$3,618,000	\$299,000	\$3,319,000	\$121,000
QRIS Infant-Toddler Block Grant	\$100,000,000				
<i>Subtotal</i>	\$2,362,889,000	\$2,733,180,000	\$2,013,285,000	\$719,895,000	\$370,291,000
			Proposition 98	Non-Prop 98	
State Preschool – Local Educational Agencies	\$1,165,467,000	\$925,423,000	\$925,423,000 ²		
State Preschool (Prop 98, full-day wrap)					
State Preschool – non-Local Educational Agencies		\$421,980,000	\$421,980,000 ³		
Child Development QRIS Grants	\$50,000,000	\$50,000,000	\$50,000,000		
<i>Subtotal</i>	\$1,215,467,000	\$1,397,403,000	\$1,297,403,000		\$818,064,000
			Proposition 98	TANF	
Inclusive Early Education Expansion Program (one time)	\$167,242,000				
			State Funds	Federal Funds	
Early Head Start-Child Care Partnership Grant	\$5,566,000	\$3,060,000		\$3,060,000	
Emergency Child Care Bridge Program	\$15,250,000				
California Department of Social Services			State General Funds	Federal Funds	
CalWORKs Stage 1	\$356,453,000	\$273,075,000			
Non-Direct Child Care Services, Trustline, etc.	\$4,239,000	\$2,654,000			
<i>Subtotal</i>	\$360,692,000	\$320,290,000			
Learning Supports			State General Funds	Federal Funds	
After School and Education Safety Program	\$596,547,000	\$596,407,000	\$596,407,000		
21st Century Community Learning Centers	\$138,153,000	\$133,153,000		\$133,153,000	
<i>Subtotal</i>	\$734,700,000				
California Community Colleges			Proposition 98		
Cal-WORKs Child Care – Community Colleges	\$9,188,000	\$9,506,000			
Campus Child Care Tax Bailout	\$3,434,000		\$3,652,000		

Resources

Newsom, Governor Gavin. *Governor's Budget Summary 2019-20*. State of California. Retrieved from <http://ebudget.ca.gov/FullBudgetSummary.pdf> on January 10, 2019.

California Department of Finance. *Department of Education – Child Development Programs – 2019-20 Governor's Budget*. January 10, 2019.

AB 190 (Ting) and SB 73 (Mitchell). Budget Act of 2019. See sections 6100-194-001, 6100-194-0890, 6100-196-0001, 6100-197-089, 6100-294-0890, and 6870-101-0001. Retrieved on January 15, 2019 from http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB190.

Endnotes

¹ Of this amount, \$245 million is available on a one-time basis for early learning workforce development and \$245 million is available on a one-time basis for child care and early learning infrastructure. The remaining \$10,000 is allocated to the development of the blueprint for universal preschool expansion (see 2019 Education Omnibus Trailer Bill).

² Of this amount, \$5 million is available for the family literacy supplemental grant provided to California State Preschool Programs.

³ Funding is available to both the part- and full-day California State Preschool Program for non-local educational agencies. Of this amount, \$297,104 is for part-day; \$124,876,000 is available beginning July 1, 2019 to provide 10,000 additional full-day state preschool slots to non-local educational agencies.