



Report from Commission Staff
January 19, 2017

I. Update on Commission Initiatives

- Neighborhoods for Learning
 - Pleasant Valley NfL
 - Held 7th Annual Children's Multicultural Bookfest with over 500 families in attendance, supported by 15 volunteers from the Kohl's Associates in Action Program.
 - Oxnard NfL
 - Provided Service Coordination/Case Management services to 157 individuals in Q1, more than doubling their quarterly target of 62.
 - Mixteco Promotoras worked with 199 families, resulting in 263 referrals to other agencies.
- Countywide Strategies
 - Help Me Grow
 - Referral Workgroup developed one page reference guide (see attached) to aid in making an appropriate referral based on the age of a child and results of a screening.
 - Quick reference guide for parents is currently under development.
 - Help Me Grow continues to convene partners providing developmental screenings, referrals and services for children with developmental concerns to strengthen collaboration.
 - Quality Rating and Improvement System (QRIS)
 - California Department of Education (CDE) Certification Grants are available to First 5 IMPACT Hub regions to build capacity for implementing the CA-QRIS Rating Matrix.
 - Funds can support the certification of trainers, observers, assessors, and coaches in several tools, including Ages and Stages Questionnaire, Classroom Assessment Scoring System (CLASS), Desired Results Developmental Profile (DRDP), and Environment Rating Scales (ERS).
 - As the fiscal lead agency for First 5 IMPACT Hub Region 7 (Ventura, Santa Barbara, San Luis Obispo), F5VC will apply for the funds.
 - Region 7 is eligible for up to \$87,681. Application is due January 27, 2017
- Results-based Accountability
 - Continuous Quality Improvement (CQI) Consultant selected
 - Kellegrew Research and Consulting was selected to provide training and technical assistance to First 5 funded partners on utilizing data for program decision making and continuous quality improvement.
 - Consultant will help program staff develop specific action plans, such as Plan-Do-Study-Act cycles.

- Increases to CalWORKs funding due to large case loads: Stage 2 (\$35.8 m), Stage 3 (1.6 m)
- Administrative changes to increase efficiencies, including e-applications for child care subsidies and alignment between CSPP and Transitional Kindergarten requirements relative to staff ratios, teacher education and facilities.
- Prop 10 Revenue Projections by DOF show 17% decline. First 5 Association and F5CA are looking at details.
- California State Preschool Program (CSPP) funding available
 - California Department of Education (CDE) announced availability of California State Preschool Program (CSPP) funding for part-day and full-day slots. This funding opportunity is available to new and existing Local Education Agency contractors.
 - F5VC will work with funded partners to identify additional opportunities for converting First 5 funded preschool spaces to this more sustainable funding source.
- Predictors of Poor School Readiness in Children Without Developmental Delay
 - New report examined the characteristics of population of young children who are likely ineligible for early intervention but who are at high risk for poor academic outcomes at kindergarten entry.
 - Study identifies new set of clinically available variables at age 2 that predict academic achievement and problem behaviors better than common developmental assessment tools: self-reported parental health status, parent-rated neighborhood safety, and parent-rated quality of house for raising children.
 - Study confirms risk and protective factors often cited in other studies, including poverty, low maternal education, single-parent household, frequency of reading, parenting behavior and expectations.
 - For full article, please visit <http://pediatrics.aappublications.org/content/138/2/e20154477>

III. Upcoming Events

- **First 5 Committees**
 - **Administration/Finance Committee**, Friday, February 3, 2017, 9:30 – 11:30 a.m., F5VC offices
- **First 5 Association Advocacy Day**, January 31, 2016, Sacramento, Ca.

Program Anecdotes

MICOP

MICOP promotoras, Celia Mendez and Erika Hernandez, presented a workshop to our families called, "Positive Phrases", which stressed the importance of language and its impact on children. They spoke about the impact that positive and negative phrases make in the development of their children and how good communication with your children demonstrates to them your love and belief in them.

It was a well-received workshop and the families were very engaged and interactive on the subject about how to put positive and loving phrases into practice with their children. One man shared that in their culture, that they grew up with, their parents did not express themselves like this, with loving phrases, and that this was a new concept for himself and most or all of the parents at the workshop. The workshop stressed that using these positive phrases to show your love to your children will have a positive impact on the quality of their lives and will motivate the children to become the kind of good people that the parents hope they will become. Celia and Erika were impressed to see the enthusiasm that the parents had to use these words to build the self-esteem of their children. The parents were encouraged to also express these thoughts in their native language of Mixteco, so as not to lose that bond of common language between themselves and their children. They are now ready to motivate their children with their words and with positivity.

January 3, 2017

POLICY & ADVOCACY NEWS



In This Issue

- 2016 Year in Review
- Looking Ahead to 2017
- Advocacy Day Registration

2016 Year in Review

2016 was a big year for First 5 and more broadly for early care and education. Numerous policy changes were enacted through the state budget, legislation, and voter proposition. Below is an overview of the key changes that took effect.

2016-17 State Budget

Governor Brown released his 2016-17 budget in early January, including a proposal to overhaul the state preschool and child care systems into one Early Learning Block Grant. The early learning and K-12 communities partnered together to oppose the Governor's proposal, which was removed from the final budget that passed in June.

Also, included in the final budget:

- A multi-year commitment to increasing the reimbursement rates for subsequent years:
 - Increased Regional Market Rate (RMR) reimbursements rates for child care providers accepting vouchers to the 75th percentile of the 2014 RMR
 - Increased Standard Rate Reimbursement (SRR) for providers who contract directly with the state by a 10% across-the-board
 - Increased licensed-exempt provider rates from 65% to 70% of the family child care home (FCCH) rate
- An addition of nearly 9,000 preschool slots over the next four years;
- The repeal of the Maximum Family Grant (MFG) championed by Senator Holly Mitchell, which reduced benefits for families with more than one child; and
- The Speaker's commitment to establishing a Blue Ribbon Commission on Early Care and Education to study the greatest areas of need in early care and potential funding sources to fill these needs.

Special Session & Legislation

The Governor called for a 2015-16 Special Session on Health to address the four million Californians who signed up for health insurance under the Affordable Care Act and to bring health care funding into compliance with federal regulations. Tobacco licensing and regulation were also brought up during Special Session, which had immediate impacts on Prop 10 revenues. Namely:

- **SB2x 7 (Hernandez)** – Increased the smoking age to 21 (an approximate \$26 million ongoing annual reduction to Prop 10);
- **SB2x 5 (Leno)** – Established that electronic devices, including e-cigarettes, are considered tobacco products (this policy was revenue neutral, but it paved the way for Prop 56 – see below);

- **AB 2x 11 (Nazarian)** – Adequately funds the Tobacco Licensing Enforcement Program to ensure Prop 10 dollars are not siphoned for enforcement purposes (an approximate \$4.6 million ongoing annual increase to Prop 10).

Additionally, the state budget included a one-time transfer of \$2.4 million from the Board of Equalization's (BOE) reserves into special funds, including Prop 10. The Special Session took effect on June 9, 2016, while the budget was enacted July 1, 2016. The Association's webinar on all the 2016 changes to Prop 10 funding is available [here](#).

Finally, the Association tracked numerous bills that introduced during regular session that affected children's services. Most notable among successful legislation:

- **AB 2770 (Nazarian)** – Prohibited BOE from using revenues from special funds (including Prop 10) for enforcement and regulation purposes. This legislation worked in companion with AB2x 11.
- **AB 2207 (Wood)** – Streamlines the enrollment processes for Denti-Cal providers and aligns the Denti-Cal fee-for-service (FFS) and dental managed care (DMC) reporting requirements.
- **AB 2036 (Lopez)** – Requires online child care services to post background check related information on TrustLine, a statewide background check website for caregivers.

All successfully legislation passed during regular session without an urgency clause are effective January 1, 2017.

A few key measures failed in the legislature in 2016, as well. While these measures failed for various reasons – costs were too high, lack of support, Governor vetoed, we believe many of these policy changes will be reintroduced again for the 2017 session. These measures include:

- **AB 2150 (Santiago)** – Would have provided continuous 12 month eligibility for parents, ensuring that families would not lose their child care subsidy for one year. This bill would have also increased the State's Medium Income (SMI), used to determine eligibility, to keep up with increases to the state's minimum wage. This bill was reintroduced as [AB 60](#) and is co-authored by Assemblymembers Santiago and Gonzalez.
- **SB 654 (Jackson)** – Introduced early on as SB 1266, Senator Jackson reintroduced the bill late in session under SB 654. This legislation would have provided a guaranteed six weeks of job-projected new parent leave for employees of companies with less than 50 people. The Governor vetoed the bill, citing cost pressures on small business.
- **AB 1644 (Bonta)** – Would have created the HEAL Trauma in School Support Program and directed the Department of Health Care Services to establish a four-year program to provide outreach, training, and technical assistance for early mental health services. This bill was held in Senate Appropriations after it was deemed too expensive and the program was not funded in through the state budget.

The Association's complete legislative tracker is available [here](#).

Voter Propositions

The statewide November ballot contained a two measures that directly affected early care and education. The Association's Executive Committee voted to endorse both measures and both measures were passed by voters.

- **Prop 55: Extension of income taxes** - Extends California's income taxes (established under Prop 30, 2012) on the highest earners for 12 years. LAO reports revenue generation of \$4 - \$9 billion annually, nearly half of which would go towards K-12 education and community colleges. Additional funding would be dedicated to Medi-Cal, the state's Rainy Day Fund, and paying down state debt.
- **Prop 56: \$2 Tobacco Tax** - Increase the state Tobacco Tax by \$2.00 per pack of cigarettes. For the first time, this measure would also apply excise taxes on e-cigarettes. LAO predicts the measure would generate between \$1 - \$1.4 billion annually, most of which would benefit cancer research and Medi-Cal services. Prop 10 will not benefit from the \$2.00 per pack increase. However, because the measure extends current excise taxes to e-cigarettes, the measure would directly benefit Prop 10. These taxes will take effect April 2017.

Looking Ahead to 2017:

Plenty of work remains to both maintain and expand children's services. While much remains unknown under the incoming Trump administration, here are a few ongoing policy items to be aware of in the new year. We anticipate frequent changes in the coming weeks and months, so stay tuned for additional newsletters with additional up-to-date information.

2017-18 State Budget:

Governor Brown will release his 2017-18 budget proposal on or before January 10, 2017. Many experts have warned that the budget will be challenging. The [Legislative Analyst's Office \(LAO\)](#) reported in November that revenues were down by \$1.7 billion. Additionally, because of federal uncertainty, many predict large reserves to be built into the proposed budget. The Association will be providing more analysis following the Governor's release of the budget.

The Republican Caucus is making Denti-Cal a top priority. In an [open letter](#) to the Governor, the Republican Caucus requested \$200 million for Denti-Cal reimbursement rates. Additionally, Assemblymember Maienschein introduced [AB 15](#) (currently, this bill is the same language as last year's AB 1051), legislation that will increase Denti-Cal provider reimbursement rates for the 15 most common preventable treatments. The Republican Caucus asked the Association to endorse the bill, and the Advocacy Committee unanimously voted to do so on their December 14 monthly call.

State Every Students Succeeds Act (ESSA) Implementation Plan:

Passed by Congress with wide bipartisan support in December 2015, the Every Students Succeeds Act (ESSA) has a different approach to early childhood education. ESSA defines early childhood education as programs that address children's full learning needs (cognitive, social, emotional, physical development) for children ages zero to six.

After receiving thousands of public comments, the federal Department of Education released final [ESSA Regulations](#) to implement the accountability, data reporting, and state plan provisions.

Now, the California Department of Education (CDE) is working diligently on the state's ESSA plan, which is due in September 2017. CDE will publish their final draft regulations on or before July 2017, which will be followed by a 30-day public comment period. Due to the size of

the state plan, CDE is releasing the plan in sections. The first section was released on November 9th, with public comment closing on December 9th. It is our understanding that public comment can be delivered on any part of the plan while the public comment period is open.

Below are additional resources and timelines for ESSA implementation. Please note that dates and timeframes are subject to change:

- July 2017: State releases full draft ESSA plan
- August 2017: Public comment for ESSA plan open for 30 days after draft plan is released
- September 2017: State plan due to Department of Education
- 2018-19 School Year: Begin targeted support and improvement for lowest 5 percent of schools in states participating in Title I
- 2019-20 School Year: Begin targeted support and improvement for school districts with lowest performing student subgroups

Additional Recourses:

- [ESSA Implementation Timeline \(DOE\)](#)
- [ESSA webpage \(CDE\)](#)
- [ESSA Stakeholder Engagement Toolkit \(CDE\)](#)
- ["Feds give state more time on ESSA plans" \(Cabinet Report\)](#)

MIECHV Reauthorization:

The Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Program, funding home visiting programs, is up for reauthorization in September 2017. Since 2010, California has received \$136 million in MIECHV funding.

The Home Visiting Coalition is pushing for reauthorization of MIECHV and is asking for a 5-year extension and incremental funding increases of \$800 million per year. It remains unclear how the new administration will approach MIECHV and home visiting programs. The Association is following this topic closely and will provide frequent updates.

Additional Resources:

- [Home Visiting Coalition's Fact Sheet](#)
- [Children Now's MIECHV in CA Fact Sheet](#)

Advocacy Day Registration

Your policy and advocacy efforts are needed at Capitol Advocacy Day! Join us January 30 - 31 in Sacramento. [Registration is open!](#)

The Association is busy scheduling legislative meetings. To secure a meeting with your legislator, we recommend registering for Advocacy Day ASAP. The registration deadline is January 16th. Also, please remember to register and bring your Commissioners and First 5 policy and program staffers.

Flyers & Additional Information:

- Jan 30: [Champions For Children Reception \(event flyer\)](#)
- Jan 31: [Advocacy Day \(event flyer\)](#)
- * [Advocacy Day Registration](#)
- [Event FAQ](#)

Pre-Advocacy Day Briefing & Training
Wednesday, January 18
10 – 11 AM

The Association will be hosting a pre-advocacy day webinar to review Advocacy Day goals, key talking points and strategies for effective legislative visits and drop-ins. A webinar recording and materials will be posted on the intranet for those who are not able to attend. [Register for the webinar here.](#)

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January 17, 2017

POLICY & ADVOCACY NEWS



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- 2017-18 Budget Overview
- Budget Resources
- Advocacy Day Registration

2017-18 State Budget Overview

The Governor's budget was released on Tuesday, January 10th. Below is an overview of the State Budget in key First 5 impact areas:

- The spending plan is \$179.5 billion in state general, special, and bond funding.
- Despite record revenues, the Governor is "banging the recession drum" – based on current revenue and spending projections, the Governor assumes there could be a \$1.6 billion budget deficit absent corrections to spending.
- The budget does not assume any changes to federal law, policy, or spending across the board. One exception is the Children's Health Insurance Program (CHIP), which the budget assumes will be reauthorized by Congress in 2017 but at the non-ACA federal matching rate, which increases state share of cost. However, in his press conference, the Governor did say that the May Revise would likely incorporate some CA response to actions in DC.

Proposed Cuts and Revenue Savings:

To protect against declining growth in revenues and assumed deficits, the budget makes the following adjustments:

- Adjusts Prop 98 allocations to meet the minimum guarantee, reducing Prop 98 spending by \$1.7 billion. The administration is careful to note that Prop 98 spending will continue to increase in the budget (by \$2.1 billion), it will just be at a lower rate than projected in prior years.
- Puts a hold on prior plans to increase spending (\$600 million). **This includes pausing the increases in child care slots and provider rates (\$226.8 million) promised in last year's budget.** The administration is fully funding and holding constant the increases made in the 2015-16 budget, but delaying the increases promised in the 2016-17 budget until future years. The administration still assumes that all of the promises made in last year's budget deal will be honored by 2019-2020.
- The proposed budget also directs funding to two legacy investment areas: \$3.2 billion is assumed to support affordable housing, and \$223.5 million from Proposition 56 revenues will be directed to the Department of Public Health to fund dental, law enforcement, and tobacco prevention programs.

In addition to delaying planned funding increases for child care, the administration lists a number of administrative changes to improve “administrative efficiencies and better align child care and early education programs to create a more rational system for both providers and the families they serve.” These proposals include both administrative improvements (electronic applications for subsidies) and programmatic changes that raise additional questions (e.g. allowing state preschool programs flexibility in meeting minimum adult-to-student ratios and teacher education requirements).

Prop 10 Revenue Projections:

We were surprised to see that the Department of Finance projects total Prop 10 revenues in 2017-18 to be \$358 million, a 17% decline from 2016-17 (see Figure REV-11 below, found on page 163 of Budget Summary). Previous revenue predictions from the DOF and First 5 CA assumed that by 2017-18 revenues would be closer to \$386 million. The decline is attributed to higher taxes on cigarettes, increased smoking age to 21, and already declining rates of smoking.

The Association has now learned that Finance's \$358 million projection includes: backfill to Prop 10 from Prop 56, ongoing revenues from tobacco licensing changes (AB2x 11 and AB 2770), and partial year revenues from the equivalency tax placed on e-cigarettes (effective April 1, 2017). However, until we have seen more detail from DOF, we are holding off on any revised messaging, and would caution using these numbers at this time for local Commission planning.

The Association will continue working with First 5 CA and DOF to understand these new projections. We will share any new information, and messaging for partners, as soon as we can.

Figure REV-11
Tobacco Tax Revenue
(Dollars in Millions)

	2015-16 Preliminary	2016-17 Forecast	2017-18 Forecast
General Fund	\$85.3	\$79.3	\$64.8
Cigarette and Tobacco Products Surtax Fund	276.3	261.0	221.7
Breast Cancer Fund	17.0	15.9	13.0
California Children and Families First Trust Fund	461.4	432.6	358.3
California Healthcare, Research and Prevention Tobacco Tax Act of 2016	0.0	367.9	1,433.2
Total	\$840.0	\$1,156.7	\$2,091.0

Budget Resources

A number of non-partisan organizations and advocacy groups are beginning to release their analyses of the Governor's Budget. Below are a number of resources and reactions on the proposed budget.

The Legislative Analyst's Office (LAO) released their initial review of the Governor's Budget. Most notably, they believe that the budget underestimates Personal Impact Tax (PIT) revenues. However, the LAO also flagged fiscal uncertainty due to unknown federal policy changes, which is not accounted for in the Governor's budget.

Budget Analysis:

- [Legislative Analyst's Office](#)
- [California Budget & Policy Center](#)
- [Western Center on Law & Poverty](#)
- [CA Child Care Resource & Referral Network](#)
- [Association's Advocacy Committee PowerPoint](#)

Press Statements on the Budget:

- [First 5 LA](#)
- [Legislative Women's Caucus](#)
- [Speaker Rendon](#)
- [Pro Tem Kevin de León & Senate Budget Chair Holly Mitchell](#)
- [Children Now](#)
- [Common Sense Kids Action](#)

Tomorrow's Pre-Advocacy Day Briefing & Training

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