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Governor Newsom’s “California for All” budget proposal includes more than \$2.7 billion in funding that will directly advance First 5’s policy agenda, and additional aligned funding that will affect our communities, and support health and education systems.

Below are key proposals within the \$2.7 billion funding that will impact California’s youngest residents and their families.

Family Resilience

A signature component of the Governor’s budget is the expansion of the state’s Earned Income Tax Credit, renamed the **Working Families Tax Credit**. An important anti-poverty measure, the budget envisions doubling the state’s investment in the program to \$1 billion, expanding eligibility to an additional 400,000 families, and converting the credit to a monthly benefit to better meet the needs of working families.

In addition, the budget proposes \$347.6 million to further increase the size of the state’s **California Work Opportunity and Responsibility to Kids (CalWORKs) cash grants**, eventually increasing to \$455.5M annually. These increases will begin October 1, 2019 and ensure no child in a family receiving cash aid from the state lives in deep poverty.

The budget also proposes to expand funding for **home visiting services**, directing an additional \$78.9 million to expand and make permanent the CalWORKs Home Visiting Initiative (HVI) created in the 2018-19 budget and \$23 million to double the federally-funded Maternal Infant Early Childhood Home Visiting (MIECHV) program operated by the California Department of Public Health.

Acknowledging the critical role of parents in child development, the budget proposal sets forward an ambitious goal that every newborn or newly adopted baby in California can be cared for by a parent or family member for the first six months. Currently, family leave protections only provide 6 weeks of paid leave and are applicable to employees working for organizations which employ 25 or more staff. The Administration will convene a **Paid Family Leave** taskforce to explore options to achieve this goal.

Finally, the budget allocates \$50M in one-time funding to establish **child savings accounts** in partnership with First 5s, local governments, and philanthropy to ensure families have the opportunity to start building assets for their children from birth. We will be working with First 5 CA and First 5s across the state to explore this proposal further.

Child Health

Acknowledging the importance of early identification and intervention, the Governor's budget includes \$105 million to support child and family health screenings.

With the goal of better connecting families and young children to appropriate early intervention services, the Governor proposes \$45 million in state and federal funding to ensure all families on Medi-Cal receive **Adverse Childhood Experiences (ACEs)** screens. The state Department of Health Care Services will establish a working group to build the screening tools and practice guidelines for young children, and we expect engage with state leaders to further refine the proposal.

The budget also includes \$60 million in state and federal funding to increase **developmental screening** rates for young children. Aligned with our advocacy for AB 11 in 2018, the budget outlines the American Academy of Pediatrics' recommendations for developmental screening.

On a debrief call about the budget, Jennifer Kent, director of DHCS, said they will add a new code for trauma screenings, since it's not reimbursed currently, and provide more guidance to providers on codes for developmental screening. DHCS hasn't yet considered the effect on referrals/intervention, but "that may come up in the May Revise once we know what the uptake looks like," she said. First 5 Association is excited to work with the administration on this, drawing upon our AB 11 background and experience.

Finally, building upon expansion of the **Black Infant Health** program last year, the budget provides an additional \$7.5 million to further address disparities in infant and maternal mortality for African American women.

Early Learning

Building upon progress made over the past three years to expand access to early care and education, the Governor's budget invests significant resources to strengthen the state's early learning system.

The proposal allocates \$750 million in one-time funding directed toward local education agencies to remove barriers to **full school-day, full school-year kindergarten**, and an additional \$500 million in one-time funding to improve child care infrastructure, including support for **professional development and facilities**. In addition, the California State University system would receive \$247 million in one-time funding which could be used to expand child care facilities for students with young children.

Ongoing funding is proposed to ensure all children eligible for the **California State Preschool Program (CSPP)** have access to services. \$125 million would provide an additional 180,000 full-day, full-year spaces in 2019-20, increasing to 200,000 students by 2022. In addition to funding, the budget envisions changing policy to remove barriers to access by eliminating the current requirement that parents show proof of employment or enrollment in higher education to receive access to full-day programs.

Despite these significant and historic investments, the Governor acknowledges that there will still be significant gaps in the state's early learning system, especially access to infant and toddler care, and proposes allocating \$10 million to develop, in partnership with the State Board of Education, Department

of Finance, and Department of Social Services, a **roadmap toward universal preschool and quality, affordable subsidized child care in California.**

First 5 LA, in partnership with First 5 California, will continue to fund and coordinate the California Early Care and Education Coalition to influence the state's early learning spending plan and policy changes.

Community Priorities and Aligned Systems Funding

In addition to these proposals specifically focused on early childhood and family support services, the budget includes significant funding plans to address community needs and strengthen our health and education systems. A few examples of proposals which will advance regional goals include:

- Funding to combat homelessness and accelerate the availability of affordable housing, including \$500 million in one-time funds to build emergency shelters and permanent supportive housing, and accelerated payments from the \$2 billion "No Place Like Home" initiative. A portion of one-time funds will be set-aside for housing projects in the 11 largest cities in California.
- An additional \$2 billion for the Local Control Funding Formula and \$576 million for expanded special education services provided by local education agencies, among other adjustments to TK-14 education funding.
- Continued funding for health provider rate increases, including more than \$1 billion in Proposition 56 funding (tobacco tax increase approved by voters in 2016). At least \$50 million in additional funding will be made available for Medi-Cal family planning services, and additional funds will be available for mental health provider training, whole person care pilots, and additional health systems incentives which could be modified to include early childhood priorities.
- Continued funding for state immigration legal services, including \$25 million in new, ongoing funding to develop an immigration rapid response fund at the state Department of Social Services. The fund would support community based and other non-profit organizations addressing emergency immigration needs in California.
- An additional \$50 million for 2020 census activities, bringing the total state investment to \$140.3 million.