



Early Childhood Policy Council

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Current and Budget Year Early Childhood Proposals

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California Department of Finance



Budget Outlook: **Big Picture**

Department of Finance projects \$54.3 billion budget deficit:

- \$13.4 billion in Current Year
- \$40.9 billion in Budget Year

Budget Proposal: **Early Learning and Care**



Early Childhood Policy Council

- \$4.4 million reduction in one-time General Fund
- \$2.2 million available for FY 2020-21 and 2021-22

Budget Proposal: **Early Learning and Care**



Child Care Data System

- \$10 million reduction in one-time General Fund for planning and integration efforts

Full-day Kindergarten Program

- Eliminates proposal for \$300 million for one-time expansion

Budget Proposal: **Early Learning and Care**



- Increased funding through the Federal **Child Care & Development Block Grant (CCDBG)**
- Ongoing \$53.3 million to create approximately 5,600 **Alternative Payment** seats
- \$13.4 million of federal funds through the Health and Human Services Agency for **2020 Preschool Development Grant** award

Budget Proposal: **Early Learning and Care**



California State Preschool Program (CSPP)

- -\$159.4 million of General Fund, eliminating 20,000 **preschool expansion** seats
- -\$130 million General Fund for full-day, full school year **CSPP spaces**, to align funding with decreased state demand
- -\$20.5 million Prop. 98 funding and -\$11.6 million General Fund, **suspends cost-of-living adjustments** for providers

Budget Proposal: **Early Learning and Care**



California State Preschool Program Continued

Reductions absent federal assistance:

- -\$94.6 million Prop. 98 funding and -\$67.3 million General Fund, eliminating 10% reduction to the Standard Reimbursement Rate
- -\$3.3 million Prop. 98 funding and -\$3 million General Fund, eliminating 1% add-on to the full-day **CSPP reimbursement rate**
- -\$170.5 million General Fund, eliminating 10% reduction to the Regional Market Rate

Budget Proposal: **Early Learning and Care**



Child Care

- Withdraws \$363 million one-time General Fund and \$45 million one-time Federal CCDBG funds that were appropriated to the **Early Learning and Care Infrastructure Grant Program** and the **Workforce Development Grant Program**
- Withdraws \$75 million for the **Inclusive Early Education Expansion Program**

Budget Proposal: **Early Learning and Care**



Allocation of **Coronavirus Aid, Relief, and Economic Security (CARES) Act** funds:

- \$73 million for **emergency child care** to expand access to child care for at-risk children and children of essential workers
- \$8 million to provide 30-day extension of **family fee waivers for child care programs**
- \$144.3 million to backfill **costs associated with SB 89** to provide essential resources and support to child care providers and essential working families

Budget Proposal: **Early Learning and Care**



Single State Agency Responsible for Child Care and Development

- In lieu of new early childhood department, proposes \$2 million in General Fund to consolidate the state's child care programs (with the exception of State Preschool) under the Department of Social Services



Budget Proposal: **Child Health**

Adverse Childhood Experiences (ACEs)

- Reduces provider payments for ACEs screening from \$37.7 million to \$21.6 million
- Reduces ACEs training funds from \$60 million to \$20 million
- Reduces trauma screening value-based payments by \$30 million
- Eliminates public education campaign for ACEs (-\$10M)

Medi-Cal Healthier California for All Initiative (CaAIM)

- Eliminates CaAIM's proposed Behavioral Health Quality Improvement Program



Budget Proposal: **Child Health**

Proposition 56

- Transfers \$1.2 billion from supplemental payments for various family health care services
- The withdrawn Prop. 56 appropriations diverted to support Medi-Cal caseloads resulting from COVID-19 impact
- Prop. 56 funds for trauma screenings will continue to be supported

Budget Proposal: **Resilient Families and Communities**



California Home Visiting Program and Black Infant Health Programs

- Reduces proposed expansions, signifying a reduction of \$4.5 million in ongoing General Fund beginning in 2020-21

CalWORKs Home Visiting Program

- Reduces funding by \$30 million General Fund in 2020-21, absent additional federal funds

Budget Proposal: **Resilient Families and Communities**



California Work Opportunity and Responsibility for Kids (CalWORKs)

- Preserves expanded cash grants and includes additional funding to support higher caseloads

Earned Income Tax Credit (EITC)

- Continues with expansion of up to a \$1,000 credit for eligible families with children under six

Paid Family Leave

- Expands paid family leave job protections, including \$1 million in assistance to small businesses



Council Questions and Discussion