



January 27, 2022

INFORMATION  ACTION

**SUBJECT: STATE AND FEDERAL BUDGET AND LEGISLATIVE UPDATE**

**Strategic Plan Priority Area: Child Health**

**Goal:** All children thrive by achieving optimal health prenatal through age 5.

**Strategic Plan Priority Area: Child Development**

**Goal:** All children birth through age 5 have high-quality, nurturing environments that ensure their learning readiness.

**Strategic Plan Priority Area: Family Functioning**

**Goal:** All families have the knowledge, skills, and resources to support their children's optimal development.

### **SUMMARY OF THE ISSUE**

First 5 California (F5CA) staff will provide an update on year two of the 2021–22 State Legislative Session, including initial F5CA bills of interest, and the release of the Governor's 2021–22 Proposed Budget. Staff also will introduce F5CA's new federal advocacy contractor to provide a federal policy update.

### **2022 Children's Policy Agenda**

The Children's Policy Agenda (see Attachment A) is a framework for prioritizing the Commission's involvement in state and federal legislative advocacy as well as administrative advocacy. The Children's Policy Agenda prioritizes the three policy areas highlighted in F5CA's Strategic Plan – Resilient Families and Communities, Child Health, and Early Learning – as well as Revenue.

### **2022 California State Legislative Session**

Below are some of the notable bills introduced as of January 14, 2022:

*Child Health*

**AB 4 (Arambula)** would provide full-scope Medi-Cal to all income-eligible adults by removing immigration status as an eligibility exclusion.

**AB 470 (Carrillo)** would eliminate the asset limit for Medi-Cal programs to the extent permitted by federal law and would require the department to seek federal authority to disregard all resources as authorized by federal law.

**AB 935 (Maienschein)** would require health care service plans and health insurers to provide access to a telehealth consultation program that meets specified criteria and provides providers who treat children, and pregnant and certain postpartum persons with access to a mental health consultation program.

**ACA 11 (Kalra)** would impose excise, payroll, and income taxes to fund comprehensive universal single-payer health coverage and a health care cost control system.

**SB 293 (Límon)** would require standard forms, including intake and assessment forms, relating to medical necessity criteria, mandatory screening and transition of care tools for the specialty mental health services provided under the Early and Periodic Screening, Diagnostic, and Treatment Program.

**SB 316 (Eggman)** would allow Federally Qualified Health Centers and Rural Health Clinics to authorize reimbursement for a maximum of two visits taking place on the same day at a single location, facilitating clinics' ability to transition patients from primary care visits to behavioral health specialists.

### *Early Learning*

**AB 321 (Valladares)** would require that state preschool enrollment priority be given to a child from a family in which the primary home language is a language other than English if there are no families with a child with exceptional needs.

**AB 479 (Grayson)** would authorize a person to apply to be a secondary daycare home license and meet all licensure requirements applicable to a licensee except the requirement to reside in the home in which the family daycare home is operated.

**AB 791 (Aguiar-Curry)** would encourage a licensee under the act and each employee of a licensee to complete trauma-informed childcare training.

**AB 1179 (Carrillo)** would require an employer to provide an employee who works in California for the same employer for 30 or more days within a year from the commencement of employment, with up to 60 hours of paid backup childcare benefits.

**AB 1361 (Rubio)** would prohibit a contracting agency, as part of the state preschool program, from expelling or unenrolling a child because of a child's behavior, except as provided.

**AB 1649 (Quirk-Silva)** would allow for family child care providers and centers to be reimbursed based on a family's maximum certified hours of need and not based on attendance.

### *Resilient Families and Communities*

**AB 65 (Low)** would require the Franchise Tax Board to administer the California Universal Basic Income (CalUBI) Program, under which a California resident who is 18 years or age or older and who meets specified requirements, would receive a universal basic income of \$1,000 per month.

**AB 1046 (Rubio)** would require the California Health and Human Services Agency to consider specified factors in identifying benefit authorities and scope of coverage services delivered by covered providers in fidelity with model requirements for evidence-based maternal, infant, and early childhood home visiting programs.

Staff will confer with the Legislative Advisory Committee (LAC) on these and other bills to formulate and approve positions and responses.

### **State Budget Update**

On January 10, Governor Newsom unveiled his proposed \$286.4 billion budget for Fiscal Year 2022–23. This proposed budget, known as "[The California Blueprint](#)," utilizes a projected \$45.7 billion surplus and builds atop last year's budget to advance the health and well-being of California's youngest children.

Below is an overview of proposed budget items of interest to F5CA and aligned to its Strategic Plan. Additionally, a joint budget statement was issued by F5CA, the First 5 Association, and First 5 Los Angeles (see Attachment C).

### *Child Care*

The proposed budget includes \$823.7 million for 36,000 additional subsidized child care spaces to bring the total to over 145,000 spaces statewide and up to 200,000 when accounting for the 2021 state budget investments that went into effect this year.

The state continues to work towards comprehensive rate reform. The Joint Labor Management Committee, including Child Care Providers United, will have recommendations available by November 15, 2022. Meanwhile, a state workgroup assessing the methodology for establishing reimbursement rates will provide findings by August 15, 2022. In the interim, this budget proposal includes \$373 million to subsidize a full year of rate increases.

The budget also proposes \$308.4 million to ensure the California State Preschool Program (CSPP) meets the needs of students with disabilities and dual language learners, including a requirement that CSPP providers serve at least 10 percent

students with disabilities and provide additional supportive services for dual language learners.

### *Universal Transitional Kindergarten*

The proposed budget continues to support last year's major investments in Universal Transitional Kindergarten (UTK) expansion with a \$1 billion investment and is expected to increase access to early learning for at least 56,000 young children across California in 2022–23.

It is comprised of a proposed \$639.2 million to expand UTK eligibility to all children who turn 5 years old between September 2 and February 2 beginning in the 2022–23 school year, as well as \$383 million to add an additional educator to every transitional kindergarten classroom to help reduce the students-to-adults ratio in UTK classrooms.

### *Mental and Physical Health*

The budget also proposes key investments in the areas of mental and physical health for children and families. This includes \$10.6 million through June 30, 2023, for the California Infant and Early Childhood Mental Health Consultation program to support the mental health needs of children, families, and child care providers.

Furthermore, a proposed \$176 million in additional funding would support access to women's health services and developmental and Adverse Childhood Experiences (ACEs) screenings, and \$135.1 million would extend Medi-Cal provider training for conducting ACEs screenings over a three-year period.

It also proposes \$53.2 million in 2022–23 and \$89 million annually to reduce Medi-Cal premiums for approximately 500,000 pregnant women, children, and disabled working adults, as well as \$1.2 billion in 2021–22, \$2.8 billion in 2022–23, \$2.4 billion in 2023–24, and \$1.6 billion in 2024–25 to implement the California Advancing and Innovating Medi-Cal reform effort, which, among other initiatives, would enhance care management and extend Medi-Cal coverage for population health approaches, prevention efforts, and even social drivers of health.

Finally, a proposed \$87 million would implement Dyadic Services effective January 1, 2023, to integrate physical and behavioral health screenings and services to the whole family, increase access to preventive care, improve the coordination of care and maternal mental health, and strengthen child social-emotional health and safety.

### *Family Strengthening*

The Governor's budget proposal includes \$50 million in on-going funding to expand the California Home Visiting Program and Black Infant Health Program to provide greater flexibility in the home visiting models families can receive and expand supports in additional counties.

Furthermore, \$200.7 million would increase the maximum level of CalWORKs cash grants families can receive by 7.1 percent. It also proposes \$20 million for a new refundable tax credit for young adults who have experienced the foster care system and expands the Young Child Tax Credit (YCTC) to include households with zero earned income. The YCTC provides \$1,000 to every household that otherwise qualifies for the Earned Income Tax Credit and also has a child aged 5-years old or younger. Franchise Tax Board estimates are that 55,000 parents would newly qualify for the YCTC per this proposal.

### *Early Literacy*

In light of persistent learning and achievement gaps and the extraordinary challenges faced by children, including learning loss during the pandemic, the Governor's proposed budget features a slate of early literacy initiatives and the highest Proposition 98 investment in California history, including:

- \$500 million in one-time Proposition 98 funding, available over five years, for grants to high-needs schools to train and hire literacy coaches and reading specialists and to offer one-on-one and group interventions for struggling readers
- \$200 million in one-time Proposition 98 funding to establish a grant program to enable local educational agencies to create or expand multilingual school or classroom libraries offering culturally relevant texts to support reading instruction
- \$2 million in one-time General Fund to incorporate early identification for learning disabilities into the state's preschool assessment tools, including a process for follow-up by expert evaluators, and \$60 million in one-time Proposition 98 General Fund to provide training for educators on effective use of these tools

Last, but not least, the proposal includes \$10 million in one-time General Fund for the California Department of Public Health (CDPH) to partner with F5CA on the Books for Children Program. This investment would further grow F5CA's partnership with CDPH to administer a statewide program to provide multilingual books and early literacy programming for families with young children in collaboration with other state programs such as home visiting, child care, early childcare centers, and foster care.

### **Federal Policy Update**

F5CA has enlisted the services of Clark Hill, PLC to support the agency, the Early Childhood Education Coalition, and the First 5 Network in federal advocacy. Leticia Mederos, Senior Managing Director of Government Affairs, will provide an update on

Build Back Better, the Fiscal Year 2022 Budget, and key legislation relevant to F5CA's Children's Policy Agenda.

### **SUMMARY OF PREVIOUS COMMISSION DISCUSSION AND ACTION**

The Legislative Update is a standing item for Commission discussion.

### **ATTACHMENTS**

- A. 2022 Children's Policy Agenda
- B. First 5 Network Joint Budget Statement