Overview of FY 2020/21 State Budget

First 5 Policy Committee
July 1, 2020
FY 20-21 State Budget

- Avoids cuts made in the May Revise by using:
  - Revenue referrals
  - Lower caseload projections (LAO numbers)
  - Reserve funding

- Architecture of the Budget:
  - “Trigger up” approach
  - Receiving $14 billion in federal funds
  - Restoring funding by October 15, 2020

For the Association’s Overview of the State Budget please see here.
Comprehensive Health & Development
Prop 56 Provider Payments:

- Preserves supplemental payments until **July 1, 2021**
  - Developmental screenings
  - ACEs Screenings
  - ACEs provider training
  - Physician and dentist loan repayment program
  - Physician services
  - Dental Services
Supports for Children with Special Needs:

- Preserves supplemental rate increases for developmental services providers (Early Start program)
- Regional Centers remain whole and avoid a $55 million cut
- Supports special education services
  - $645 million increase in Prop 98 funding
Family Resiliency
EITC Program Expansion:

- ITIN filers with children under age 6 will qualify for EITC and YCTC
- Advocates and legislature hope to expand to all ITIN filers

Black Infant Health:

- Preserves program; Rejects $4.5 million cut

Reductions:

Home visiting

- Reduces CalWORKS Home Visiting Program by $30 M
  - Restores funding in FY 2021-22
Universal Job Protected Leave:

- January 1, 2021
- Extends Paid Family Leave job protections to all eligible workers, regardless of employer size
- Extends pregnancy/birth disability job protections
- Additional support and outreach to lawmakers is needed
  - SB 1383 (Jackson)
  - Possible amendments forthcoming
Quality Early Learning
Child Care Made a Top Priority in Budget

Early Learning Package (key elements):

1. Preserves provider reimbursement rates

1. Holds harmless all state-subsidized child care programs open in FY 20-21
   - Direct-contractors- reimbursement based on enrollment (both in-person and distance learning)
   - Alternative Payment & CalWORKS providers ($69.5 M from CARES)

1. Plans for $300 million of additional federal CCDBG
Child Care Moved to Social Services:

- Except CSPP; full list see page 2, here
- $2.3 million for transition. New Deputy Director of Child Development appointed by Gov.
- ECPC and DOF must submit report by March 31, 2021 to legislature.

“How this shift results in better services for children and families, including how this shift will ensure families have the most comprehensive information about their choices in comprehensive supports for their families, including childcare.”

- Interested in all reaction and thoughts.
Master Plan & ECPC

June 8th Meeting -- packet here.

- Whole Child, Whole Family frame
- Create a funding structure to guide long-term investment in a mixed-delivery system.
- Align program standards to a common definition of quality
- Streamlines services to families
- Coordinate planning and management of whole child, whole family support
- Integrate health and care data
- Not mentioned (so far): wages for ECE workforce, need for comprehensive health and development funding stream, state-local partnership
Sustainability & Scale
Nicotine-Based Vaping Tax

- Deferred, will be addressed in August
- Negotiations around **fund allocation** and **taxation structure**
- The Association:
  - Continues to fight for Prop 10 equivalency of the Vape Tax
  - Working closely with CSAC & CHEAC
  - Senator Caballero (D-Salinas) is our champion on the issue
  - SB 793 (Hill) Flavors Ban *may* intersect
Advocacy Moving Forward
Send Thank Yous

• Early childhood is viewed as one of the “winners” in the budget. Thank our legislative champions for preserving much of the social safety net.

• Thank You Template is available [here](#).

• Template keeps the two remaining issues on their radar:
  1) Vape Tax; and
  2) PFL
Vape Tax

- Focus for First 5 is equivalency (14.8%)
- Will be gearing for broader support
- CSAC is writing a blog post = BOS engagement for late July/ early August
- We anticipate needing another advocacy push from commissions and partners in August
Federal Policy

- **HEROES** (4th federal stimulus bill) stalled in Senate. Contains: $8 B for child care & $100 M for MIECHV. Association supports MIECHV expansion
- **Child Care is Essential Act** (Rep DeLauro & Sen Murray). Contains $50 billion for child care re-opening and sustainability. Association supports!
- **Moving Forward Act (HR 2)** -- includes $10 B for child care infrastructure
- **NEW: COVID-19 Education Relief Bill** -- Sen Murray intros $430 B relief effort -- $50 B for child care; $1.5 B for CAPTA; IDEA funding; $33 B for Governors’ discretion to support educational programs significantly impacted by COVID-19
- **COVID-19 Health Disparities** (Harris)
- **Increase to SNAP eligibility** (Harris)
Questions?