



October 24, 2019

ACTION ITEM

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 request an increase in authority for a total of up to \$450,000 over a three-year period to secure a federal lobbying contract on behalf of the First 5 Network (Network). Staff also will provide a federal policy update and a 2019 state legislative overview.

RECOMMENDATION

F5CA staff recommends the Commission approve an increase of \$375,000 to the original federal advocacy capacity allocation of \$75,000 for a total of up to \$450,000 over a three-year period to enter into a contract on behalf of the First 5 Network for federal policy education and lobbying capacity building.

BACKGROUND OF KEY ISSUES

Federal Advocacy Request for Proposals (RFP)

F5CA's 2014–19 Strategic Plan launched its re-entry into advocacy spheres at the state and federal levels, with a clear vision for legislative engagement. The recently adopted 2019–2024 Strategic Plan doubled-down on these efforts with the inclusion of Policy and Systems as a supportive strategy thread throughout each of F5CA's priority areas:

Policy and Systems | Communication, advocacy, legislation, research, and evaluation efforts designed to catalyze public will and investment in systems that support the optimal development of the state's children and families.

As articulated in the Statement of Strategic Direction in the F5CA Strategic Plan, the Commission also has an overarching mandate that requires robust advocacy capacity:

- 1) **Civic Engagement and Accountability:** F5CA supports and advocates for public policies and increased resources to improve outcomes and support systems for children prenatal through age 5 and their families. It is accountable to the people of California for the responsible and effective use of public funds.

Since 2014, the Commission has implemented the F5CA Strategic Plan and has undertaken a dramatic shift to maximize the public policy and advocacy components of the mission to, "Convene, partner in, support, and help lead the movement to create and implement a comprehensive, integrated, and coordinated system for California's children prenatal through age 5 and their families."

In 2015, and under the guidance of the F5CA Legislative Advisory Committee (LAC), F5CA adopted its first Children's Policy Agenda, which has guided and prioritized F5CA's advocacy work in the Strategic Plan areas of Child Health, Child Development, and Family Functioning. The Children's Policy Agenda, which has been revised and renewed annually, began as a guide for state advocacy and expanded to influence F5CA's federal advocacy work starting in 2017. Attachment B is the 2019–20 Children's Policy Agenda.

Under the guidance of the LAC, F5CA staff have developed an ambitious state and federal advocacy campaign over the past three years, in partnership with the First 5 Association (Association) and First 5 Los Angeles (F5LA).

In July 2018, the F5CA Commission approved \$1.05 million over a three-year period to expand F5CA's advocacy capacity through lobbying, strategic partnerships and coalitions, and policy development. Of this amount, \$75,000 had been earmarked by F5CA staff for federal advocacy.

F5CA does not currently retain its own federal lobbyist, but rather works with F5LA's contracted lobbyist, as a "First 5" voice in Washington D.C. To date, F5CA has not yet contributed financially to the F5LA contract, and F5CA's federal policy education and lobbying capacity has remained relatively limited. As the Network strategy has grown, so has the need for a stronger presence at the federal level.

To effectively establish a First 5 presence in Washington D.C., on behalf of the entire Network, more resources and capacity are needed. With F5LA's federal lobbying contract expiring in June 2020, the Network has an opportunity to think about how and to what extent First 5s should be engaging in Washington, and what that means in terms of resource allocation and structure of a new contract.

The Network (including F5CA staff) concluded that as the State Commission, F5CA should be the holder of any future federal advocacy contract on behalf of the Network. With a California Administration leading the way for young children, the Network hopes to leverage this excitement to develop a California voice and momentum for growth in federal monies, including the Child Care and Development Block Grant (CCDBG), Head Start, and the Maternal, Infant, and Early Childhood Home Visiting Program (MIECHV).

F5CA staff recommends the Commission approve an increase of \$375,000 to the original federal advocacy capacity allocation of \$75,000 for a total of up to \$450,000 over a three-year period to release an RFP and enter into a contract for F5CA and First 5 Network federal policy education and lobbying capacity building. F5LA has committed to contributing financially to these efforts.

Federal Policy Update

Fiscal Year (FY) 2020 Appropriations and Budget

On September 27, 2019, President Trump signed a continuing resolution that funds the government through November 21, 2019. Both the House of Representatives and Senate are expected to use the next few weeks to continue negotiating appropriations for the remainder of FY 2020.

These negotiations will include a package of four appropriations bills currently stalled in the Senate. The bill package includes the Labor, Health and Human Services, Education, and Related Agencies appropriations bill, which contains early childhood priorities such as CCDBG, Head Start, Preschool Development Grants, and the Individuals with Disabilities Education Act (IDEA) Part C and 619.

In August 2019, Congress passed a bill to raise the discretionary spending budget caps, which allowed Congress to move forward with the spending bills.

Below are the FY 2020 funding levels passed in the House Labor, Health and Human Services, Education, and Related Agencies appropriations bill:

- The appropriations bill provides \$27.9 billion in discretionary funding for the Administration for Children and Families (ACF), which is \$4.7 billion above the 2019 enacted level and \$9.6 billion above the President's budget request.
- Early childhood programs receive an increase of \$4 billion:
 - \$7.7 billion for CCDBG, an increase of \$2.4 billion
 - \$11.6 billion for Head Start, an increase of \$1.5 billion
 - \$350 million for Preschool Development Grants, an increase of \$100 million
 - \$403 million for IDEA preschool grants, an increase of \$12 million

- \$491 million for IDEA infant and toddler early intervention programs (Part C), an increase of \$21 million

The House budget figures are likely to be the high water mark for these programs.

Federal Rulemaking

SNAP Revision of Categorical Eligibility Proposed Rulemaking

On July 24, 2019, the U.S. Department of Agriculture announced proposed rulemaking on the “Revision of Categorical Eligibility in the Supplemental Nutrition Assistance Program (SNAP).”

The proposed rule would end SNAP benefits for 3.1 million people. According to the Agriculture Department’s regulatory impact analysis, about 9 percent of all households currently receiving SNAP benefits will lose their assistance.

The proposed rulemaking would limit states’ ability to enroll recipients earning more than 130 percent of the federal poverty guidelines. In most cases, the proposed rule would cap eligibility to an annual income of \$32,640 for a family of four. Households also are likely limited to \$2,250 in countable assets, such as cash or money in bank accounts. Approximately 10 percent of California’s SNAP caseload would lose eligibility under the proposed rule.

Public Charge Final Rule

The Trump Administration released its final rule for implementing new criteria for making public charge determinations on August 12, 2019. The sweeping rule expands the range of public benefits that can be considered as part of a public charge test, including Medicaid, housing assistance, and SNAP. The test is used for those applying for green cards or certain visas.

After the proposed rule was introduced in October 2018, over 266,000 public comments were submitted in response to the detrimental impact the changes would have on the health of immigrant families, including by First 5, which influenced some of the changes in the final rule.

The new rule was set to go into effect on October 15, giving families a small window of time to adjust their enrollment in various programs. However, in three rulings on October 11, 2019, federal judges in California, Washington, and New York issued injunctions blocking the public charge rule, preventing it from taking effect. In total, five injunctions have been issued, three of which are nationwide. The judicial injunctions will remain in place while lawsuits filed against the rule by 21 states proceed. The Department of Homeland Security is expected to appeal to higher courts to overturn the injunctions.

The [final public charge rule](#) can be found on the Federal Register.

Federal Legislation

- **No Public Funds for Public Charge Act of 2019 (H.R. 3222)** – The No Public Funds for Public Charge Act of 2019 proposed by Congresswoman Judy Chu seeks to prevent any federal funds from being used to implement the public charge rule.

The bill has 105 Democratic cosponsors in the House of Representatives.

- **The Funding Early Intervention is the Right IDEA Act (H.R. 4107)** – Representatives Mark DeSaulnier and Rodney Davis introduced The Funding Early Intervention is the Right IDEA Act on July 30, 2019. The bill proposes to significantly increase funding for Part C and Section 619 of the IDEA over the course of ten years. The bill complements the IDEA Full Funding Act (H.R. 1878), which provides funding for special education K–12.

The bill has 18 cosponsors, including two Republicans. Advocates are looking for a Senate sponsor.

- **Child Care for Working Families Act (H.R.1364 and S.568)** – The Child Care for Working Families Act would increase funding for child care centers, limit child care expenses to 7 percent of a family’s annual income, guarantee child care assistance to families earning up to 150 percent of the median income in their state, and ensure child care providers earn a living wage. This bill represents a north star for Early Childhood Education (ECE) advocates, providing bold and insightful legislation to rally around.

Introduced in February 2019, the legislation currently has 156 Democratic cosponsors in the U.S. House of Representatives and 34 Democratic cosponsors in the U.S. Senate. Both California Senators are cosponsors and 29 Democratic members of the California delegation signed on to the House version of the bill.

- **Paid Family Leave** – Paid family leave is experiencing bipartisan support in Washington. While both parties have a drastically different vision of what providing paid family leave looks like, the discussion provides an opportunity for advocates to shape the conversation. It does not seem likely the legislation below will become law in the 116th Congress.
 - **The Family Act (H.R.1185 and S.463)** – The Family Act would provide Americans up to 12 weeks of paid leave at 66 percent of their monthly wages. The proposal builds on an existing law, the Family and Medical Leave Act of 1993, which offers only unpaid leave. This law would institute a kind of family leave insurance, structured much like unemployment insurance. The funds would come from employee and employer payroll contributions of two-tenths of 1 percent, or approximately \$2.00 per week for a typical worker.

The benefits in the proposal would apply to every American who works full-time – and potentially even those who are part-time, temporary, or self-employed. Among other things, the Family Act considers “family leave” to include birth or

adoption, and serious health conditions, including those affecting a child, parent, spouse, or domestic partner.

The Family Act is a Democratic proposal with 197 sponsors in the House and 34 sponsors in the Senate. All cosponsors are Democrats or Independents.

- **The Cradle Act** – The Cradle Act would allow workers to access some of their Social Security retirement income in advance to make up a portion of the wages they would lose when taking parental leave. Workers would still bear the cost of taking time off by delaying their retirement by twice as many months as they took off for parental leave. Under this proposed legislation, someone who takes the maximum three months off, for example, would need to delay their Social Security retirement by six months. Under this bill, workers pay for their own leave; neither employers nor the federal government contributes.

Though the bill summary and roll out took place in March 2019, the bill has not yet been introduced.

- **The Federal Employee Paid Leave Act (H.R. 1534)** – The Federal Employee Paid Leave Act – spearheaded by Rep. Carolyn B. Maloney, House Majority Leader Steny Hoyer, Rep. Jennifer Wexton, and Rep. Don Beyer – would allow federal employees (both men and women) to take 12 weeks of paid leave following the birth, adoption, or fostering of a child, or to take care of a spouse or parent suffering from a serious health condition. Currently, federal employees are not offered federal paid family leave.

The House bill has 45 cosponsors, 43 Democrats and 2 Republicans (Reps. Brian Fitzpatrick and Peter King). The Senate version of the bill has not yet been introduced.

2019 State Legislative Overview

With the bill-signing deadline on October 13, the 2019 legislative season is over. The first legislative session in a Newsom Administration, 2019 was an active year for policies impacting young children.

F5CA took positions and submitted formal letters of support on 41 pieces of legislation, and monitored 56 bills in the 2019 regular session. Attachment A is an Executive Summary and Detailed Report identifying the status of each of those bills at the end of year one of the two year legislative cycle. Highlighted below are the final outcomes for 20 bills of high importance to F5CA.

Resilient Families and Communities

- **AB 196 (Gonzalez): Paid Family Leave** – This bill would increase the wage replacement rate for calculating Paid Family Leave benefits from the 60–70 percent provided currently to 100 percent, subject to an annually adjusted maximum benefit amount. This is a two-year bill and may be acted upon in January 2020.

- **AB 372 (Voepel): State Employees: Infant at Work Programs** – This bill would authorize state agencies to enter into the Infant at Work Pilot Program, which allows an employee of the participating agency who is a new caregiver or parent to bring their new infant into the workplace.
Governor Action: Vetoed
- **AB 406 (Limón): Disability Compensation: Paid Family Leave: Application in Non-English Languages** – This bill would require, effective January 1, 2025, the Employment Development Department (EDD) to make the application for Paid Family Leave available in all languages spoken by a substantial number of applicants.
Governor Action: Chaptered
- **AB 500 (Gonzalez): School and Community College Employees: Paid Maternity Leave** – This bill would require school districts, charter schools, and community colleges to provide certificated, academic, and classified employees at least six weeks of fully paid leave for pregnancy, miscarriage, childbirth, and recovery from these conditions.
Governor Action: Vetoed
- **AB 577 (Eggman): Health Care Coverage: Maternal Mental Health** – This bill would require transition assistance to a Covered California plan for all women disenrolling from Medi-Cal at 60 days post-partum, and completion of covered maternal mental health services by the individual’s treating health care provider.
Governor Action: Chaptered
- **SB 135 (Jackson): Paid Family Leave** – This bill would expand state family leave job protections to businesses with 5 or more employees, bringing bonding leave in line with sick leave eligibility, and expand the definition of family members for the purpose of caregiving to include a grandparent, grandchild, sibling, parent-in-law, child-in-law, or “designated” person. This is a two-year bill and may be acted upon in January 2020.
- **SB 142 (Wiener): Employees: Lactation Accommodation** – This bill would ensure all breastfeeding parents have the workplace supports they need by requiring employers to have a written lactation policy and ensuring all lactation spaces meet minimum requirements to create a safe and comfortable space for lactating employees.
Governor Action: Chaptered

Child Health

- **AB 1004 (McCarty): Developmental Screening Services** – This bill requires improved data collection by the Department of Health Care Services and Medi-Cal Managed Health Care plans to help ensure children are receiving developmental screenings in the first three years of life.
Governor Action: Chaptered

Early Learning

- **AB 6 (Reyes): Early Childhood Education: Interagency Coordination and Quality Improvement** – This bill would create the Interagency Workgroup and the Quality Improvement Workgroup within the California Department of Education (CDE) to review early learning and care program coordination and quality. This is a two-year bill and may be acted upon in January 2020.
- **AB 48 (O'Donnell): Education Finance: School Facilities: Public Preschool, K–12, and College Health and Safety Bond Act of 2020** – This bill places the Public Preschool, K–12, and College Health and Safety Bond Act on the March 2020 primary ballot, addressing the school facilities shortage by issuing bond dollars for the purpose of modernizing, retrofitting, and constructing new school facilities.
Governor Action: Chaptered
- **AB 123 (McCarty): Early Childhood Education: State Preschool Program: Access: Standards** – This bill would expand the eligibility for State Preschool programs, increase the reimbursement rate for State Preschool and require a portion of the increase to be used to increase the pay of teachers with a baccalaureate degree, require State Preschool lead teachers to hold a baccalaureate degree by July 1, 2028, and establish a program to provide financial support to early childhood education workers pursuing a baccalaureate degree. This is a two-year bill and may be acted upon in January 2020.
- **AB 125 (McCarty): Early Childhood Education: Reimbursement Rates** – This bill would establish a single regionalized state reimbursement rate system – called The Child Care Stabilization Formula – for child care, preschool, and early learning services. This is a two-year bill and may be acted upon in January 2020.
- **AB 197 (Weber): Full-day Kindergarten** – This bill requires school districts offering kindergarten and charter schools serving pupils in early primary grades to implement at least one full-day kindergarten program by the 2022–23 school year, and requires a minimum school day for full-day kindergarten be the same number of minutes that is offered to pupils in 1st grade.
Governor Action: Vetoed
- **AB 324 (Aguiar-Curry): Childcare Services: State-Subsidized Childcare: Professional Support Stipends** – This bill would link the guidelines for professional support stipends provided under the AB 212 program to the Administration's guidelines for the new Early Learning and Care Workforce Development Grants Program established in the 2019–20 Budget Act, to support the professional development and educational attainment of the early childhood education workforce. This bill was held on the Senate Appropriations Suspense File.
- **AB 776 (Kalra): Education Data: Pupil Identifiers: Early Childhood Education Programs** – This bill would require CDE, in consultation with the California Health and Human Services Agency, to establish a process by which early childhood

education data for children that are enrolled in state- or federally-funded child care and development programs is linked to the California Longitudinal Pupil Achievement Data System (CALPADS) when a child receives a statewide student identifier (SSID), and authorize a local educational agency to request an SSID for children enrolled in ECE programs and require those SSIDs to be submitted to CALPADS.

Governor Action: Vetoed

- **AB 1256 (Bonta): Early Childhood Education: Learning Readiness Measures: Report** – This bill requires the Superintendent of Public Instruction to provide a report to the Legislature and Governor with recommendations to guide state policy on learning readiness measures. This is a two-year bill and may be acted upon in January 2020.
- **SB 2 (Glazer): Statewide Longitudinal Database** – This bill requires the creation of a statewide data system to track individual students' progress from preschool through college and into the workforce. This is a two-year bill and may be acted upon in January 2020.
- **SB 174 (Leyva): Early Childhood Education: Reimbursement Rates** – This bill would establish a single regionalized state reimbursement rate system – called The Child Care Stabilization Formula – for child care, preschool, and early learning services. This is a two-year bill and may be acted upon in January 2020.

Revenue and Governance

- **AB 1001 (Ting): Child Care: Strategic Planning Councils** – This bill would change the composition and duties of local planning councils and require they collect local input to facilitate local decision-making regarding early childhood education services and develop and implement a strategic plan and investment priorities. This is a two-year bill and may be acted upon in January 2020.
- **SB 436 (Hurtado): Office of Child Abuse Prevention** – This bill formalizes Family Resource Centers as a key delivery network of services and as conduits to strengthening families via family-centered, community-based, and culturally sensitive services that include cross-system collaboration as a means to prevent child abuse and neglect.

Governor Action: Chaptered

Paid Family Leave Task Force

The 2019–20 Budget Act established a Paid Family Leave Task Force to develop recommendations that consider different options to phase-in and expand Paid Family Leave to allow a newborn or newly adopted child to be cared for by a parent or a close relative for up to six months by 2021–22. F5CA Deputy Director Erin Gabel was appointed to the Task Force and has been participating in meetings for the past four months. The Task Force's recommendations are expected to be released in late November of this year.

Strategic Plan, Master Plan, and Early Childhood Policy Council

As part of the federal Preschool Development Grant California received earlier this year to improve the state's existing early childhood landscape, California was tasked with conducting a comprehensive statewide birth through five needs assessment, followed by in-depth strategic planning. The Strategic Plan, which has a scope limited to ECE, builds upon the recommendations of the Blue Ribbon Commission on ECE and is slated to be released any day now.

The 2019–20 Budget Act provided \$5 million for the Secretary of Health and Human Services Agency, in concurrence with the executive director of the State Board of Education, to contract with a research and analysis entity to create a Master Plan for Early Learning and Care to ensure comprehensive and affordable child care and universal preschool. The Administration has signaled the Master Plan will pick up where the Strategic Plan leaves off, and will go further than ECE, including recommendations on Home Visiting and Paid Family Leave.

The 2019–20 Budget Act also established an Early Childhood Policy Council to advise the Governor, Legislature, and the Superintendent of Public Instruction (SPI) on statewide early learning and care policy, building on the work of the state's Master Plan for Early Learning and Care. The 27-member Council will consist of appointments from the Governor, Senate, Assembly, and SPI, some of which have already been announced, and will include separate parent and workforce advisory committees. Several applications have been submitted under the First 5 Network umbrella, but there have been no First 5 appointments made as of yet.

SUMMARY OF PREVIOUS COMMISSION DISCUSSION AND ACTION

In July 2018, the F5CA Commission approved \$1.05 million over a three-year period to expand F5CA's advocacy capacity through lobbying, strategic partnerships and coalitions, and policy development. Of this amount, \$75,000 had been earmarked by F5CA staff for federal advocacy. The Legislative Update is a standing item for Commission discussion.

FISCAL ANALYSIS

Funding authority is requested for federal advocacy capacity building as follows:

- \$375,000 from the Unallocated account for FY 2020–21 through FY 2022–23

ATTACHMENTS

- A. Executive Summary and Detailed Report of 2019 Legislative Bills of Interest
- B. 2019–20 Children's Policy Agenda