



California Budget & Policy Center

Independent Analysis. Shared Prosperity.



California Budget
& Policy Center

Investments in Young Children and Families in the 2019-20 State Budget Proposal

CAMILLE MABEN, EXECUTIVE DIRECTOR, F5CA
ESI HUTCHFUL, STATE POLICY FELLOW
KRISTIN SCHUMACHER, SENIOR POLICY ANALYST

JANUARY 28, 2019

calbudgetcenter.org

The *Policy Perspectives Speakers Series* is a year-round, free event series that provides expert analysis and insights on critical issues facing California.

To learn more, contact Janis Yee at jyee@calbudgetcenter.org.



California Budget
& Policy Center

Independent Analysis. Shared Prosperity.



Thank you for making this event possible:





California Budget
& Policy Center

Investments in Young Children and Families in the 2019-20 State Budget Proposal

JANUARY 28, 2019

calbudgetcenter.org

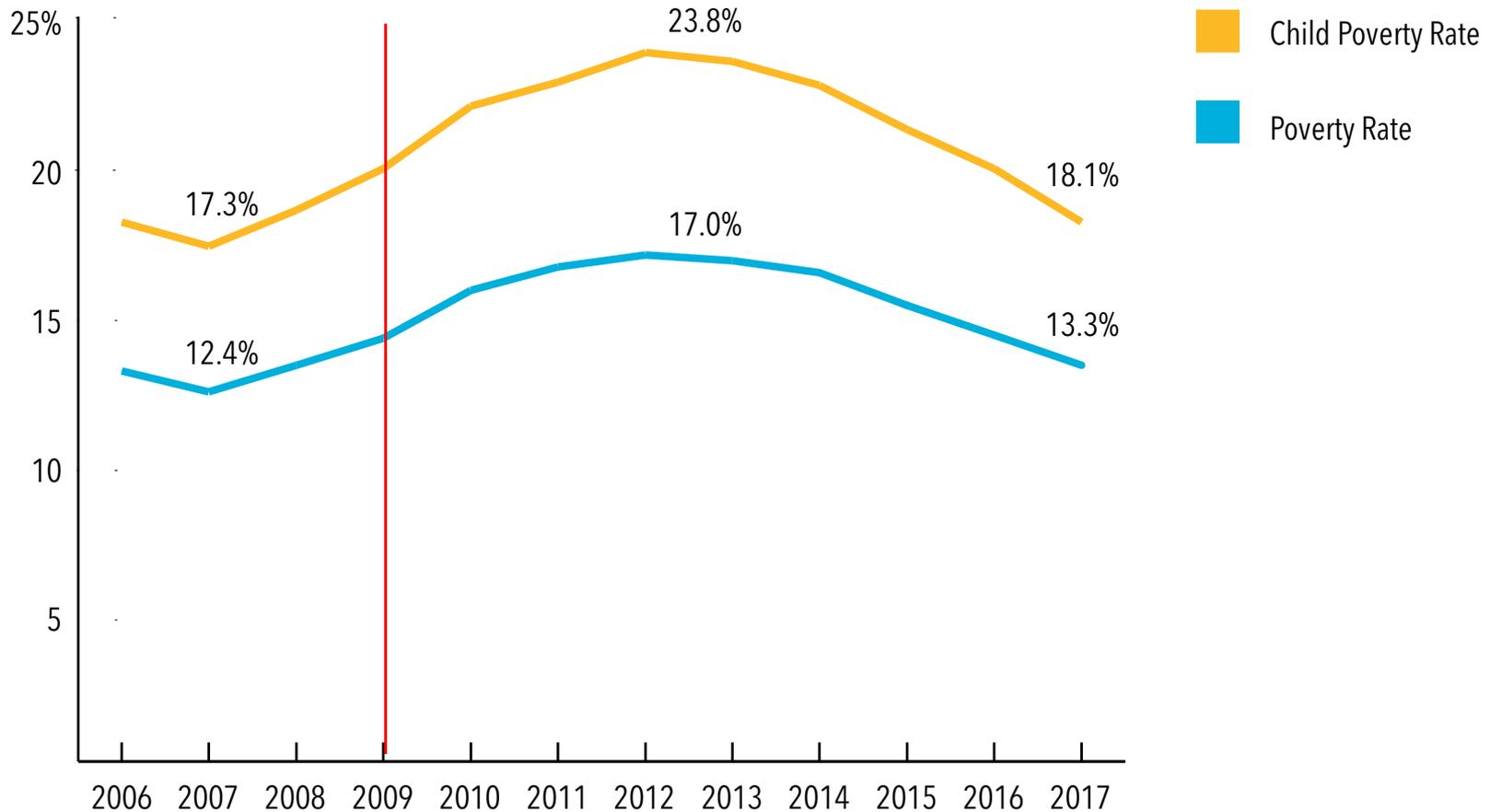
Overview

- California's high cost of living, coupled with wage stagnation for low- and middle-income workers, means many families throughout the state struggle to afford the basics.
- Public systems and services help families across the state make ends meet.
- The Governor's proposed 2019-20 budget includes significant expansions of these public systems and services for low- and middle-income children and families in California.



California's Official Poverty Rate Continued to Decline in 2017, but Remains Above Its Pre-Recession Level

Percentage of Californians With Incomes Below the Official Federal Poverty Line

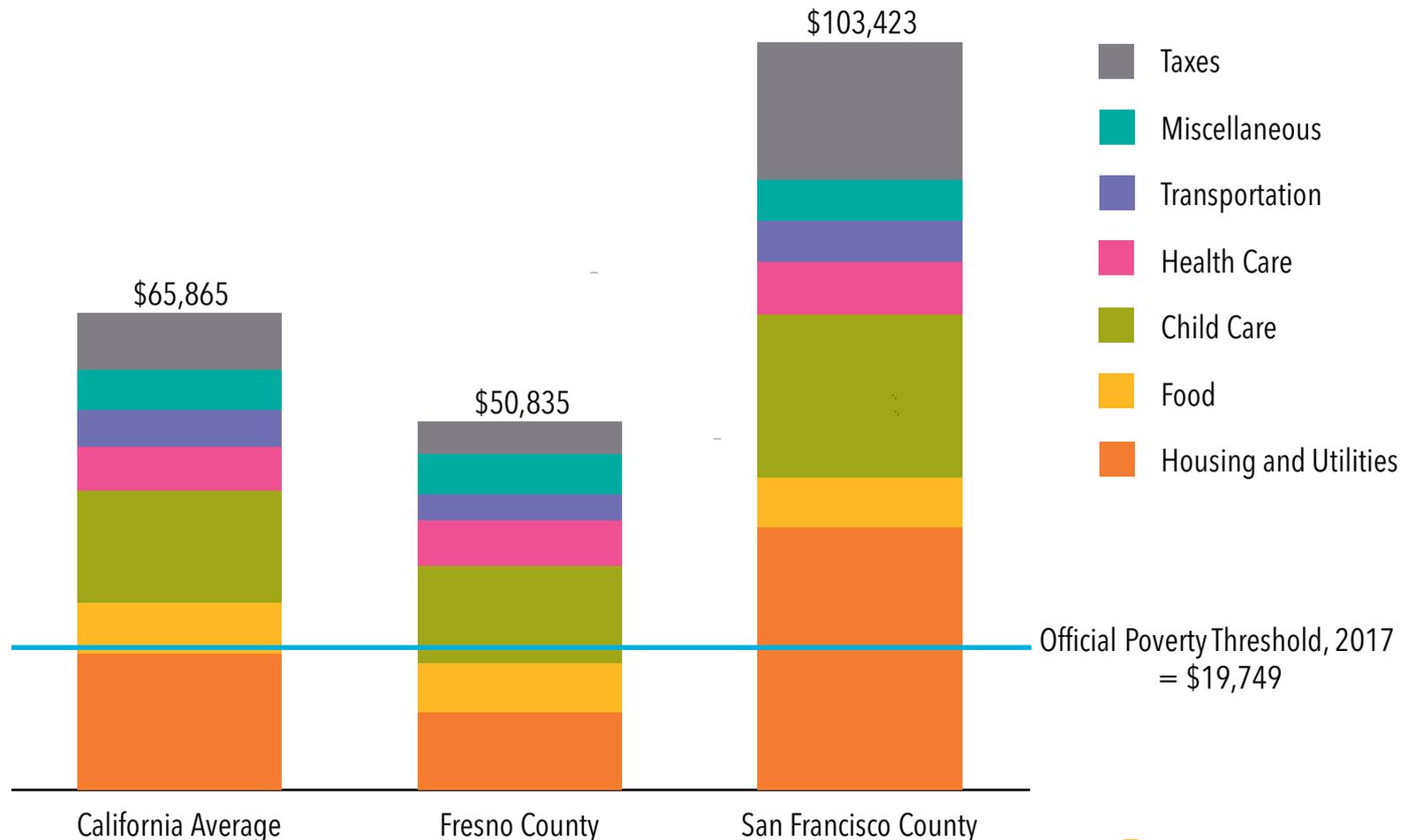


Source: US Census Bureau, American Community Survey



Official Poverty Thresholds Are Much Less Than the Basic Cost of Living for Families in California

Annual Basic Family Budget for a Single-Parent Family With Two Children, 2017

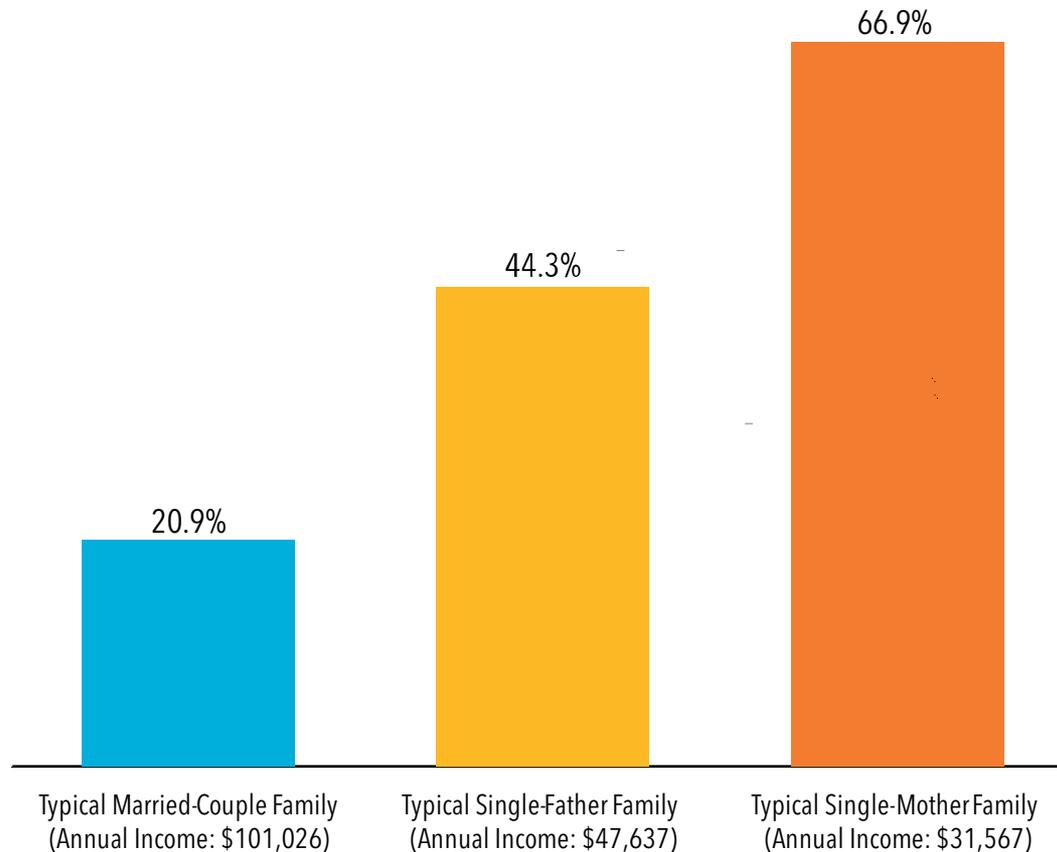


Note: Assumes one preschool-age and one school-age child and a single parent working full-time.
 Source: Budget Center *Making Ends Meet* 2017 analysis and US Census Bureau



The Cost of Child Care in California Is a Large Share of Family Budgets, Especially for Single-Parent Families

Child Care Costs for an Infant and a School-Age Child as a Share of Annual Family Income, 2017



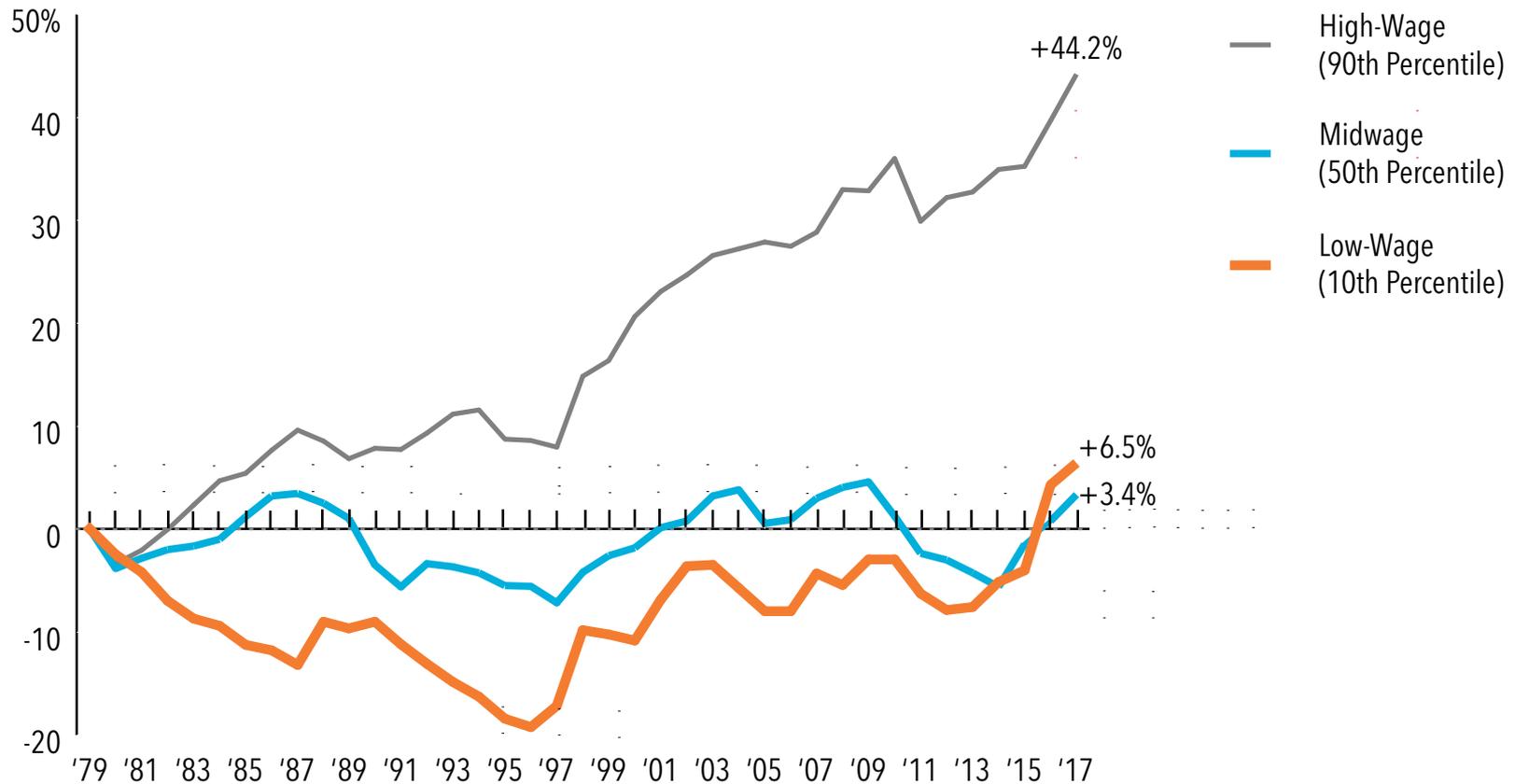
Note: Cost of care is for a licensed center in California in 2016 (full-time for an infant and prorated according to the school year for a school-age child) adjusted for inflation. Costs are based on counties' median cost of care weighted to reflect each county's population of infants and school-age children.

Source: Budget Center analysis of data from the California Department of Education, 2016 Regional Market Rate Survey and US Census Bureau



California's Low- and Mid-Wage Workers Have Seen Only Modest Gains Since 1979

Percent Change in Inflation-Adjusted Hourly Wages for Workers Ages 18-64



Note: Figures reflect 2017 dollars.

Source: Economic Policy Institute analysis of US Census Bureau, Current Population Survey data

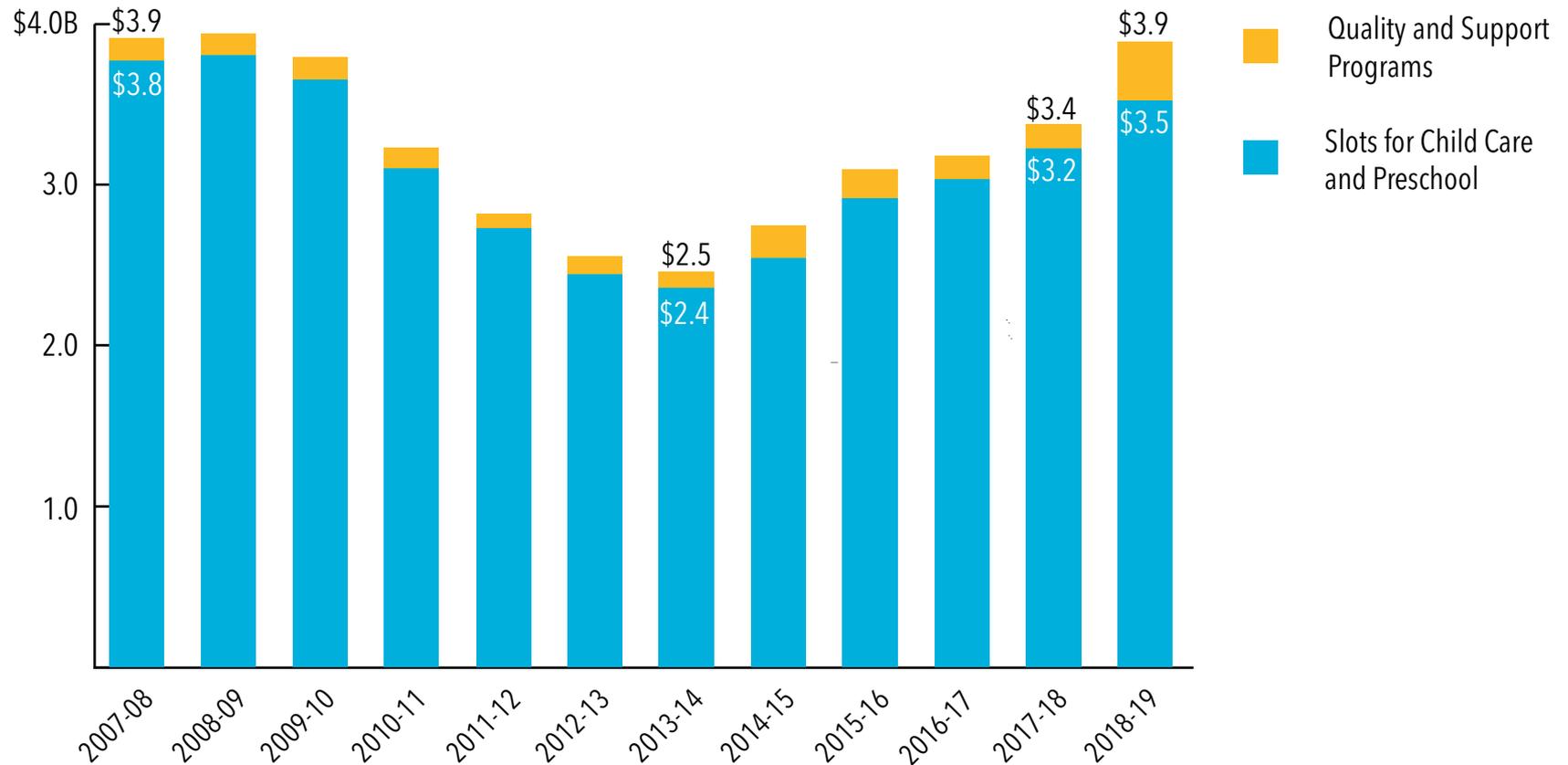


Affordable child care and preschool helps families make ends meet.

Without access to affordable care, many families face difficult choices about where to leave their children while they are working.



Total Funding for Subsidized Child Care and Preschool in California (Billions), Inflation-Adjusted



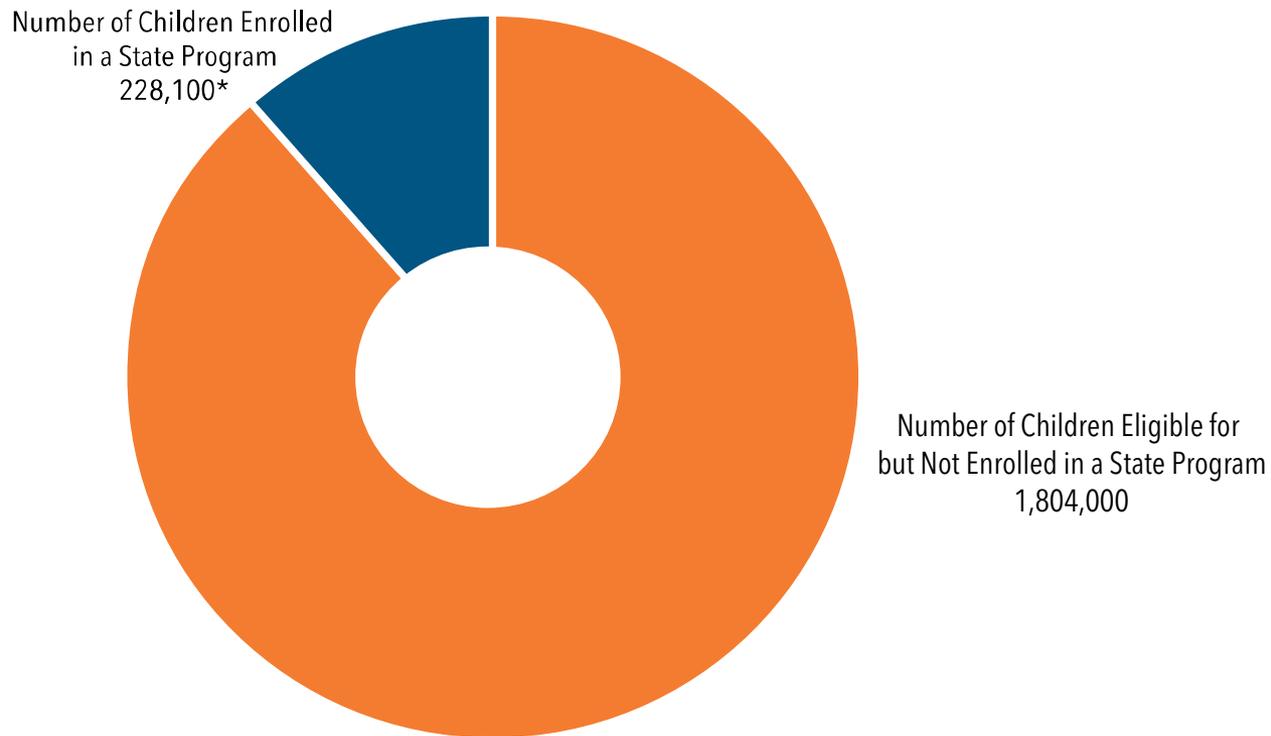
Note: Figures reflect the enacted budget each year except for 2008-09, which reflects the revised budget as of February 2009. Figures include federal and state funds for slots as well as for quality and support programs and are in 2018-19 dollars. Child care includes CalWORKs and non-CalWORKs programs. Preschool excludes Transitional Kindergarten.

Source: California Department of Education and Department of Finance



Eight Out of Nine Children Eligible for Subsidized Child Care Did Not Receive Services From Full-Day, Full-Year Programs in 2017

Estimated Number of California Children Eligible for Subsidized Child Care = 2,032,000



* Enrollment is for children from birth through age 12 in October 2017, except for California Community College CalWORKs Stage Two, which reflects a Department of Finance estimate for the 2017-18 fiscal year. Includes children enrolled in the full-day California State Preschool Program (CSPP). Excludes children enrolled in the part-day CSPP or the Handicapped Child Care Program. Source: California Department of Education, Department of Finance, Department of Social Services, and Budget Center analysis of US Census Bureau, American Community Survey data



Investments in the Subsidized Child Care and Development System

- Provides \$490 million one-time General Fund support for child care infrastructure:
 - \$245 million for child care facilities grants
 - \$245 million for workforce development for providers
- Increases access to the CA State Preschool Program:
 - \$125 million General Fund for 10,000 full-day, full-year preschool slots
 - \$297 shifted out of Prop. 98 for non-LEA providers
 - Eliminates the parental work or school requirement for full-day preschool
- \$10 million one-time General Fund for a plan to address access, capacity, revenue options, and other issues



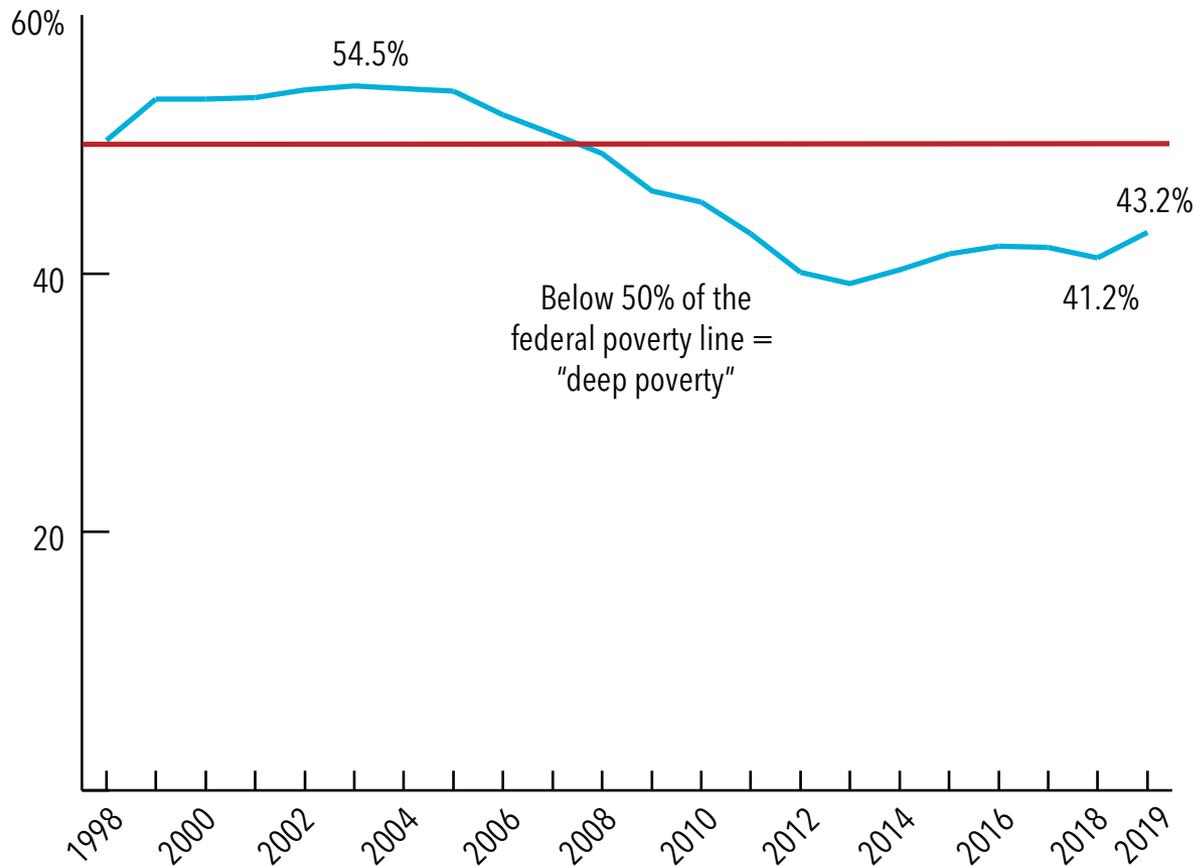
CalWORKs provides modest cash assistance to families while helping parents find and keep jobs.

About 775,000 California children receive assistance from CalWORKs.



CalWORKs Grants Have Been Below the Deep-Poverty Line for Eleven Straight Years

Annualized Maximum Grant for a Family of Three as a Percentage of the Federal Poverty Line



Note: Grants are for high-cost counties. Anticipated 2019 federal poverty line based on Legislative Analyst's Office estimate.

Source: Budget Center analysis of Department of Social Services, Legislative Analyst's Office, US Department of Health and Human Services, and US Social Security Administration data



Governor Newsom's 2019-20 Proposal to Raise CalWORKs Grants

- Proposes a 13.1% increase effective October 1, 2019
 - Raises grants to 50% FPL for a three-person assistance unit
 - \$347.6 million General Fund in 2019-20
 - \$455.4 million General Fund annual full-year cost



Investments in Infant and Maternal Well-Being in the Proposed Budget

- Allocates \$78.9 million federal TANF and state General Fund to home visiting initiative in CalWORKs
 - In 2018-19, \$158 million set aside for first three years, subject to annual appropriation thereafter
- Provides \$23 million General Fund for home visiting outside of CalWORKs
- Invests \$7.5 million General Fund in the Black Infant Health program



Additional Supports for Children and Families in the Proposed Budget

- Invests \$50 million one-time General Fund in child savings accounts pilot projects
- Provides \$750 million one-time General Fund for full-day kindergarten facilities
- Provides \$122 million General Fund to increase support for students parents, along with \$247 million one-time General Fund for CSU that can be used for on-campus child care facilities



Additional Supports for Children and Families in the Proposed Budget (cont.)

- Provides \$105 million in federal funds and special funds to provide more developmental screenings for young children and to provide ACES screening through the Medi-Cal program
- Significantly expands the CalEITC, including an additional \$500 credit to families with young children
- Proposes bold plan to extend California's Paid Family Leave program from 6 weeks to 6 months

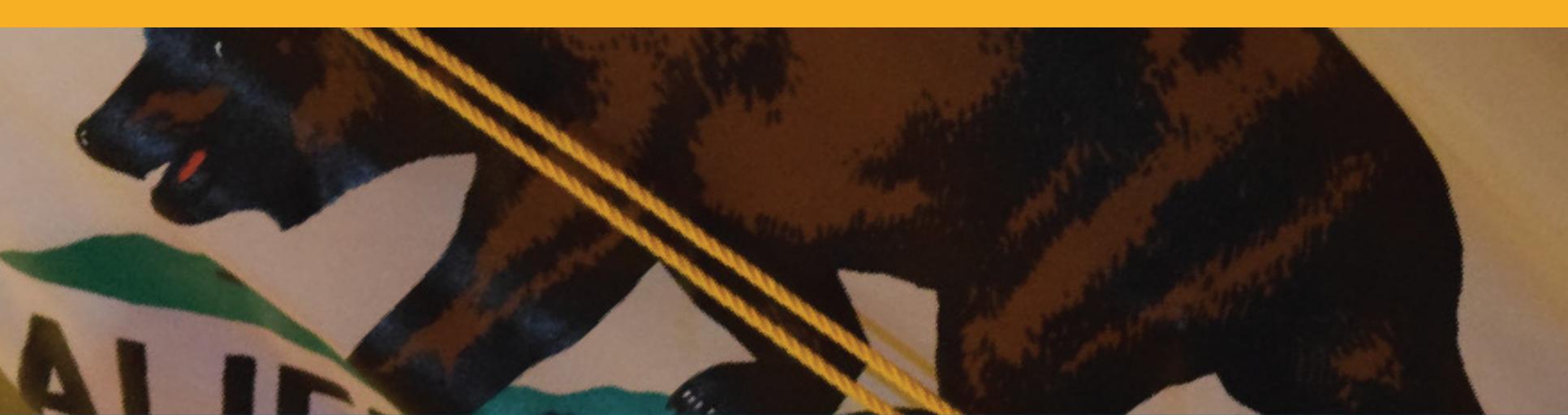


Q&A

You can also tweet us your questions
using #PolicyPerspectives



California Budget
& Policy Center



REGISTER NOW!

POLICY INSIGHTS 2019

MARCH 27 | Sheraton Grand Sacramento Hotel

Register here: <http://bit.ly/PolicyInsights2019>





California Budget
& Policy Center

calbudgetcenter.org

1107 9th Street, Suite 310

Sacramento, California 95814

916.444.0500

contact@calbudgetcenter.org

[@CalBudgetCenter](https://twitter.com/CalBudgetCenter)

Our work wouldn't be possible
without your support.

Please consider making a donation today!