

## Child Welfare

### Child Welfare:

- Continuum of Care Reform (CCR): The Budget includes \$548.6 million (\$373 million General Fund) to continue implementation of CCR. This funding reflects ongoing support for child and family teams, placement of youth with an emergency caregiver and other CCR investments.
- Dependency Counsel: The Budget continues increased investments from the 2019 Budget Act and proposes \$213.7 million total (including an estimated \$57 million in federal reimbursements) for dependency attorneys who represent abused and neglected children in the child welfare system.
- Child Welfare Workforce Development: The Budget proposes \$11 million (\$5.6 million General Fund) to establish an additional child welfare social workers regional training academy in northern California (bringing the statewide total to five academies), increase ongoing training for social workers and supervisors, assess training effectiveness, and modernize how social worker training is monitored and used to inform workforce development planning.
- California Automated Response and Engagement System: The Budget includes \$54.4 million (\$27.2 million General Fund), an increase of \$14.2 million General Fund compared to the 2019 Budget Act for the state's ongoing development of a new improved statewide child welfare case management system.

### Juvenile Justice:

- Division of Juvenile Justice (DJJ): The Budget contains further details about the transition of the Division of Juvenile Justice (within the California Department of Corrections and Rehabilitation) to the Department of Youth and Community Restoration (DYCR) within the Health and Human Services Agency, effective July 1, 2020. The Budget proposes \$289.7 million total for the new DYCR, including funding to establish a new training academy and \$8 million in continued funding for therapeutic communities.
- Youth Offender Rehabilitative Communities: The Budget proposes \$6.2 million in 2020-21, and \$10.1 million ongoing, to establish Youth Offender Rehabilitative Communities, which will cluster the state's 5,800 young offenders (under age 26) into campus-style environments within existing adult facilities. Youth offenders will be connected to positive mentors and targeted rehabilitative and educational programs.

### Homelessness:

- California Access to Housing and Services Fund: \$750 million to establish the California Access to Housing and Services Fund, with the goal of reducing street-based homelessness and increasing the number of stable housing units. We will monitor the rollout of this fund to see how it will impact youth experiencing homelessness or housing instability.

### Immigration:

- Unaccompanied Immigrant Children: The Department of Social Services funds qualified nonprofit organizations to provide immigration services to immigrants who reside in California via the unaccompanied undocumented minors and Immigration Services Funding programs. The Budget continues to include \$65 million General Fund in 2020-21 and ongoing for immigration services.

### Education:

- Local Control Funding Formula (LCFF): The Budget proposes a \$1.2 billion increase for LCFF (reflecting a cost-of-living adjustment) and brings total LCFF funding to \$64.2 billion. Through LCFF, school districts receive additional funding to support high-needs student groups, including students in foster care.
- Local Control and Accountability Plans (LCAPS): The Budget includes \$600,000 in one-time funds to improve LCFF fiscal accountability, including the creation of an online portal to hold all school district LCAPS, which describe districts' plans for serving their students. Easier access to LCAPS will make it simpler for the public to see how school districts are providing targeted services and supports to meet the needs of students in foster care.

### Health:

The Governor's budget proposes a number of initiatives, investments, and restructuring to transform the health care system to better serve Californians. These efforts hold the potential to improve coordination, integration, and access to services for vulnerable populations, including children and youth in foster care.

- Healthier California for All Initiative: The Budget includes \$1.4 billion in state and federal funds (\$695 million in 2020-21) for the launch of the multi-year Medi-Cal Healthier California for All initiative (formerly known as CalAIM, or the California Advancing and Innovating Medi-Cal initiative), to improve health outcomes and coordination of care for Medi-Cal beneficiaries. In the spring of 2020, the state plans to launch a workgroup focused on developing a long-term plan to improve services to children and youth in foster care as part of this transformation effort.
- Behavioral Health Task Force: The Budget establishes a multi-sector Behavioral Health Task Force at the California Health and Human Services Agency to review policies and coordinate system transformation. The Task Force will bring together relevant state departments, counties, consumers, health plans, providers, and other stakeholders.
- Behavioral Health Quality Improvement Program: The Budget includes \$45.1 million General Fund to implement a Behavioral Health Quality Improvement Program to incentivize system changes and process improvements for county-operated community mental health and substance use disorder systems to prepare for opportunities through the Medi-Cal Healthier California for All initiative.
- Mental Health Services Act (Prop 63): The Administration plans to submit a proposal in Spring 2020 to reform MHSA "to better focus on people with mental illness who are also experiencing homelessness, who are involved in the criminal justice system, and for early intervention for youth."

Other investments of interest include:

- Adverse Childhood Experiences: The budget proposes \$10 million one-time General Fund for the development of an adverse childhood experiences cross-sector training program through the Office of the Surgeon General, as well as a statewide adverse childhood experiences public awareness campaign. The Surgeon General has engaged experts and consultants to develop a series of trauma-informed trainings specific to key sectors, including early childhood, education, government, and law enforcement.
- Child Care: The Budget proposes to establish the Department of Early Childhood Development under the California Health and Human Services Agency to promote an early childhood system that improves program integration and coordination with other major programs serving young children. We will monitor this item to see how it may impact the Emergency Child Care Bridge Program for Foster Youth.

- Emergency Preparedness and Response: While the proposed budget included many investments to respond to natural disasters and their victims, we are disappointed that none specifically target vulnerable populations impacted by disasters, such as foster children and youth, who need unique supports and services in order to recover from these devastating situations.

## Health

[Governor Newsom's FY 2020-21 budget proposal](#) released today includes many significant initiatives and investments that could impact children's health. While the reforms and investments can lead to positive health outcomes for Californians, many of the proposals lack clarity on how they will impact children.

### ***Transforming Medi-Cal and the health care system***

- \$1.4 billion in state and federal funds (\$695 million in 2020-21) for the launch of the multi-year [Medi-Cal Healthier California for All](#) initiative (formerly known as CalAIM, or the California Advancing and Innovating Medi-Cal initiative), to improve health outcomes and coordination of care for Medi-Cal beneficiaries. Medi-Cal will be transformed through this initiative by establishment of an enhanced care management (\$225 million) and in lieu of services (\$357.5 million) benefit, making necessary infrastructure to expand whole person care approaches statewide, and building upon existing dental initiatives (\$112.5 million).
- \$40 million for the state operations component of implementing and administering the new Medi-Cal Healthier California for All initiative.
- Establishment of a Center for Data Insights and Innovation at the California Health and Human Services Agency to integrate and leverage data for program improvement and transformation.
- An 18-month extension of the Proposition 56 investments for supplemental Medi-Cal payments to providers (for trauma screenings and developmental screenings, for example) and provider loan repayment programs.
- The budget assumes that the federal government will approve the Managed Care Organization (MCO) tax, with revenue beginning to accrue in 2021-22 (NOT in the proposed 2020-21 budget).

### ***Focusing on behavioral health and adverse childhood experiences***

- Establishment of a multi-sector Behavioral Health Task Force at the California Health and Human Services Agency to review policies and coordinate system transformation.
- Stronger enforcement of behavioral health parity and timely access laws by regulators at the Department of Managed Health Care.
- MHSA reserves available in the amount of \$161 million to be spent on mental health prevention and treatment services by June 2020.
- The intent to reform the Mental Health Services Act "to better focus on people with mental illness who are also experiencing homelessness, who are involved in the criminal justice system, and for early intervention for youth." The Administration will submit a plan for proposed changes in Spring 2020.
- \$45.1 million General Fund to implement a Behavioral Health Quality Improvement Program to incentivize system changes and process improvements for county-operated community mental health and substance use disorder systems to prepare for opportunities through the Medi-Cal Healthier California for All initiative. Improvements include enhanced data-sharing capability for care coordination and establishing the foundational elements of value-based payment such as data collection, performance measurement, and reporting.

- \$300 million one-time Proposition 98 General Fund to establish Community School grants for local educational agencies supporting community school models. Specifically, the grants will provide resources to local educational agencies to implement programs aligned with the community school model, including: integrated and coordinated student wrap-around services, including intensive health, mental health, and social services, as well as early screening and intervention for learning and other needs; collaborative leadership and support for educators, including professional development in student mental and behavioral health, trauma-informed care, social-emotional learning, restorative justice, and other key areas.
- \$199.7 million allocation from available Proposition 64 revenues in 2020-21 for education, prevention, and treatment of youth substance use disorders and school retention.
- \$10 million one-time General Fund for the development of an adverse childhood experiences cross-sector training program through the Office of the Surgeon General, as well as a statewide adverse childhood experiences public awareness campaign. The Surgeon General has engaged experts and consultants to develop a series of trauma-informed trainings specific to key sectors, including early childhood, education, government, and law enforcement.

#### ***Making health care more affordable for families***

- Assistance with the cost of uncovered hearing aids and related services for children in households with incomes up to 600 percent of the federal poverty level.
- Establishment of the Office of Health Care Affordability in spring 2020 to improve affordability of health insurance.
- Leveraging Covered California and Medi-Cal to strengthen public coverage options.
- Reducing the costs of prescription drugs in Medi-Cal and throughout the state.

#### ***Improving nutrition for children and families***

- \$60 million Proposition 98 General Fund to increase funding for school nutrition.
- \$10 million Proposition 98 General Fund to provide training for school food service workers to promote healthier and more nutritious meals.
- \$10 million non-Proposition 98 General Fund in 2020-21 and \$1.5 million annually thereafter for a Farm to School Grant Program to support California farmers and expand healthy food access by providing grants to schools.
- \$20 million one-time General Fund for food assistance and food banks to partially mitigate the loss of CalFresh benefits due to federal rule changes.

#### ***Protecting children's health***

- A new nicotine content-based E-cigarette vaping tax will begin on January 1, 2021, and is expected to raise \$32 million in revenue in 2020-21, which will be deposited into a new special fund to be used for administration, enforcement, youth prevention, and health care workforce programs.
- A statewide ban of all flavored nicotine products as of January 1, 2021.

## **K-12 Education**

The 2020-21 budget season kicked off this morning with Governor Gavin Newsom's release of his January budget proposal. The proposal takes some important steps towards addressing areas of greatest need in California schools, including professional development, special education, STEM and community schools (described more below).

We are excited to share that the budget acknowledges the need to improve fiscal transparency in order to ensure California's most vulnerable students actually receive the benefit of the equity funding that was the intent of the Local Control Funding formula. To that end, \$600,000 is being proposed to provide easier access to statewide data on the investments made by local educational agencies to improve opportunities and outcomes for high need students, which is aligned to the objectives of our cosponsored bill [AB 1834](#) (Weber). In addition, the Administration commits to engage in a process to increase accountability for carry over supplemental and concentration funding, which is aligned with our additional cosponsored legislation [AB 1835](#) (Weber).

As broader context, the budget notes that Proposition 98 funding has increased from the current budget and provides approximately \$84 billion for schools and community colleges. There is also about \$1.1 billion in one-time funding. The increase in Prop. 98 provides for a modest increase to the Local Control Funding Formula (LCFF) of \$1.2 billion for a cost-of-living adjustment, bringing the total funding for LCFF to \$ 64.2 billion. While this sounds positive, we are concerned that this investment actually just meets the minimum requirements of the Prop 98 floor, and may not be sufficient to cover rising costs, including pension liabilities and special education.

With respect to pensions, the budget recognizes payments made in the 2019 budget including \$850 million to buy down the school districts contribution rates to California State Teacher's Retirement System (CalSTRS) and for the district's share of the California Public Employees' Retirement System (CalPERS) for 2019-20 and 2020-21. This funding helps free up local dollars that otherwise would have been budgets for these payments. In addition the 2019 budget provided \$2.3 billion to reduce the district's outstanding obligations which will reduce the unfunded liabilities that would have been paid off over the next 30 years, thus reducing the district's share of the state's debts.

Additional key investments include:

- **A three-phase, multi-year process to improve special education finance, services and student-outcomes.** In 2020-21, this includes a 15 percent increase in the state's contribution to special education, as well as \$250 million to serve 3 to 5 year-olds and funding to commission a study on the current regional governance and accountability structure.
- **\$300 million in one-time funding to establish Community Schools grants** to support local educational agencies that build partnerships to provide services such as health, mental health, social services, early screenings and intervention services, as well expanded learning opportunities.
- **\$300 million in one-time funding to provide Opportunity Grants** for schools and districts identified by the state accountability system as in need of additional support and to expand the capacity of the California Collaborative for Education Excellence (CCEE).
- **\$60 million to increase funding for school meals**, along with additional funding to support food service training to promote healthier, more nutritious meals and to expand access to farm to school programs,
- **\$900 million in one-time Proposition 98 General funds for educator recruitment and retention**
  - \$532 million in four programs to address the teacher shortage in high-need subjects and areas.
  - \$350 million to augment the [Education Workforce Investment Grant \(EWIG\)](#) program along with an expansion of the list of areas that can be targeted by these funds. Joining special education, English Language Learners, and computer science are science, technology, engineering, and mathematics (STEM), multi-tiered systems of support

(MTSS) and mental health interventions, and non-discrimination, anti-bullying, and affirmative supports for LGBTQ and other marginalized students.

- \$18 million for CCEE to increase awareness of services for all LEAs in the areas listed above and to strengthen LEA capacity to improve student outcomes in the state priority areas.
- **\$19.1 million in one-time funding in support of Computer Science, largely from Proposition 98 funds** (also a priority of the California STEM Network) These funds will incentivize teachers to obtain supplementary authorizations (\$15 million), establish a California Subject Matter Project in Computer Science (\$1.3 million, non-Prop 98) and support for one cohort of educators (\$340,000), and fund a resource lead in the Statewide System of Support to identify, assemble, and share resources in computer science for professional development, classroom curriculum, and best practices (\$2.5 million).