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Children and Families in California: An Overview on Economic Security

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A PRESENTATION TO:

FIRST 5 CONTRA COSTA

FAMILY ECONOMIC SECURITY PROJECT

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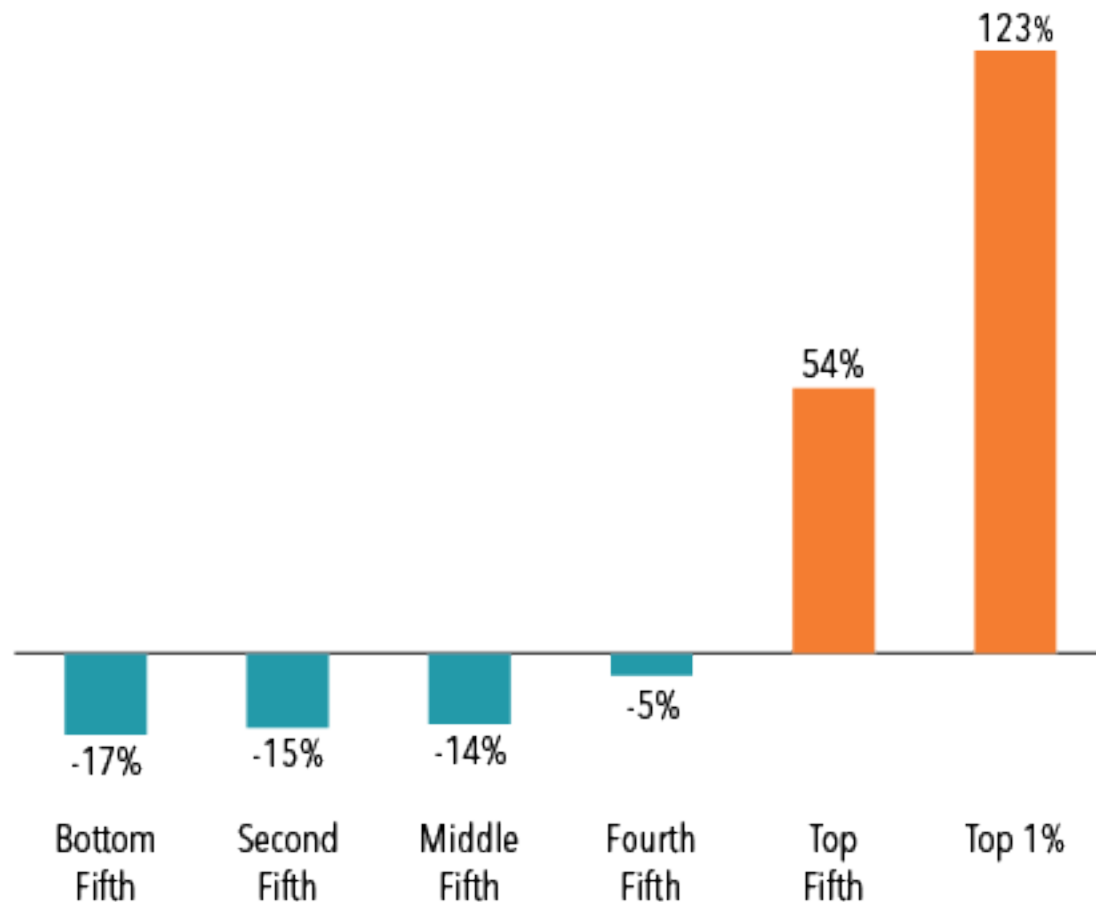
Overview

- Key data on families' economic security
- Overview of child care and related budget proposals
- Summary of select budget proposals that could boost families' economic security and areas where more could be done
- Information on the Gann Limit
- Other issues to follow and opportunities for engagement



Tax Data Show Incomes Have Grown Only for the Highest-Income California Families Over the Past Three Decades

Percent Change in Average Adjusted Gross Income (AGI), 1987-2019, Inflation-Adjusted

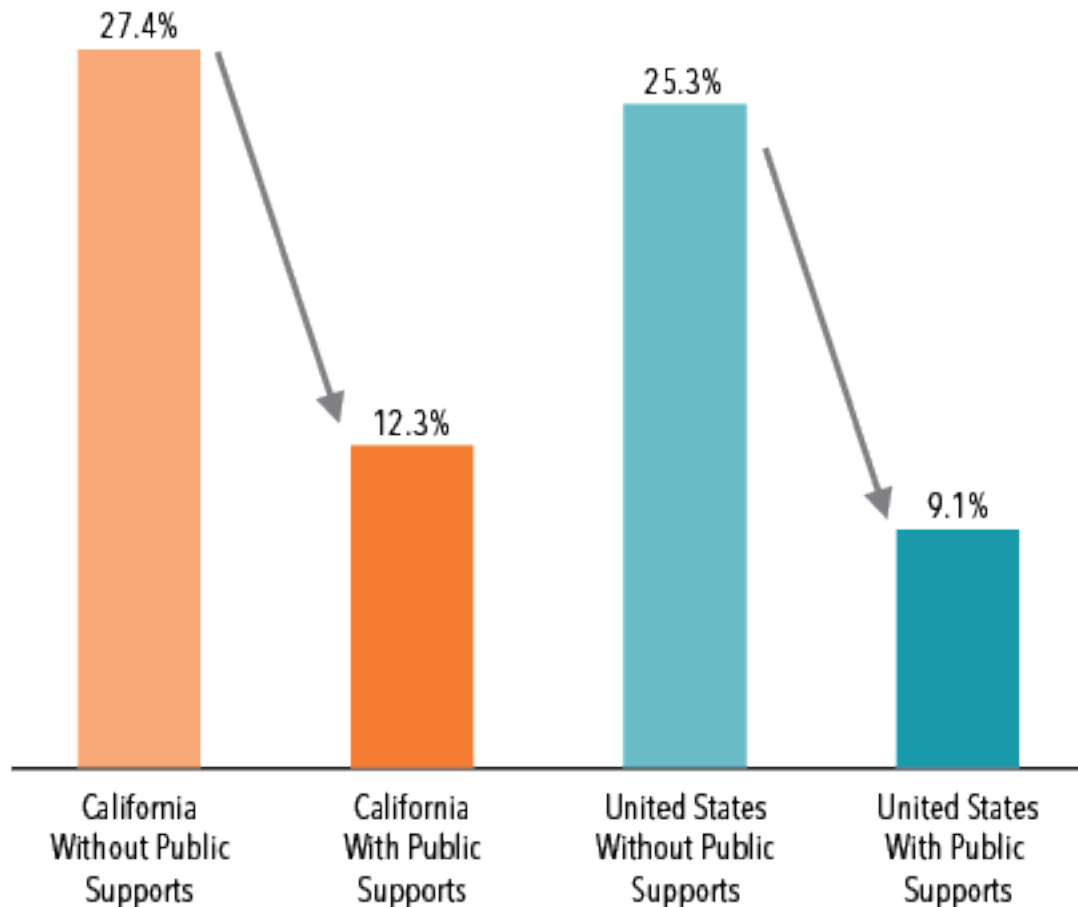


Note: Adjusted Gross Incomes include capital gains.
Source: Franchise Tax Board



Poverty in California and the United States Would Have Been Dramatically Higher in 2020 Without Public Supports

Poverty Rate Under the Supplemental Poverty Measure, With and Without Public Supports, 2020



Source: Center on Budget & Policy Priorities analysis of US Census Bureau, Current Population Survey public-use microdata

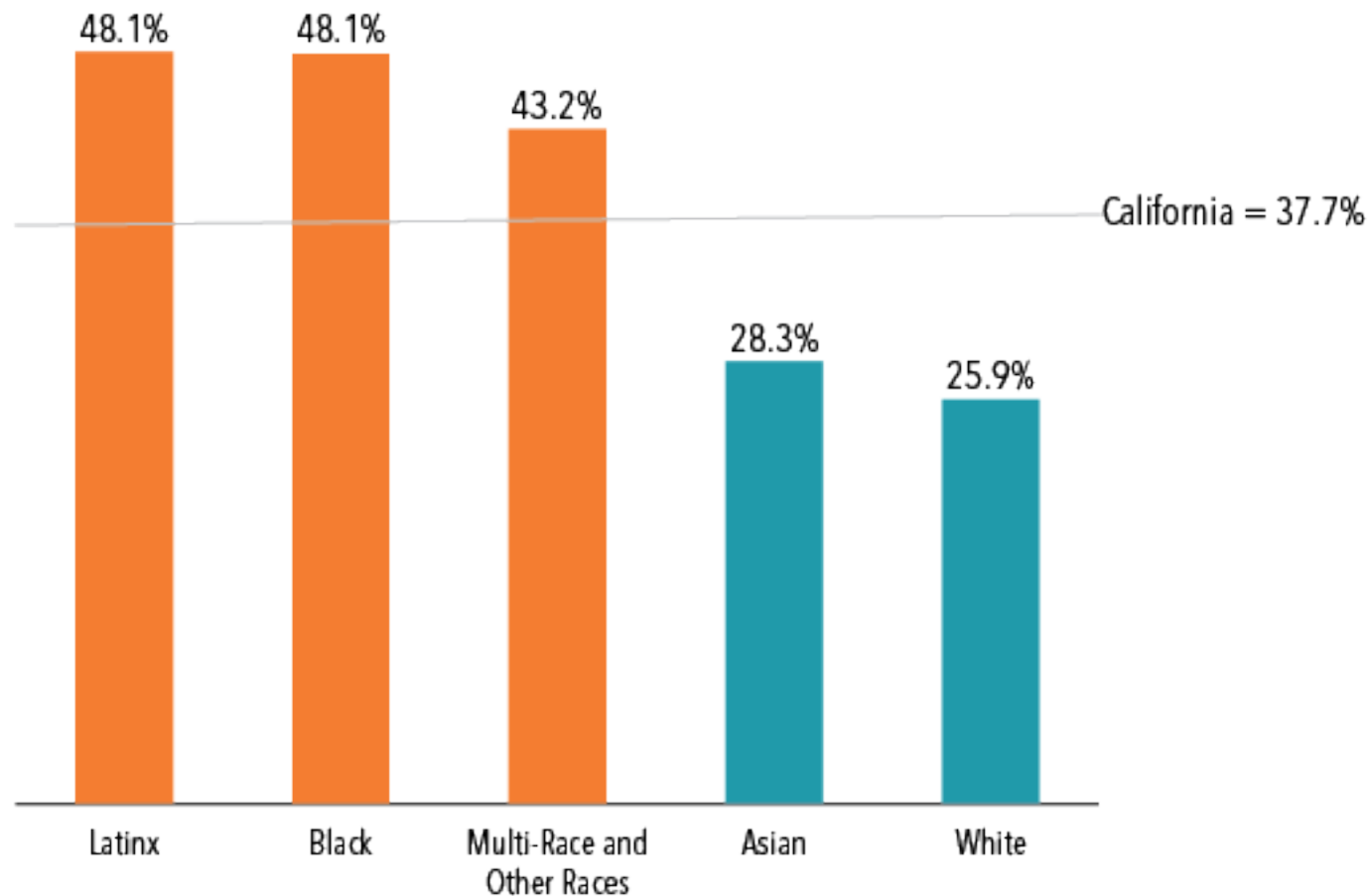


Racist policies and practices in various systems — specifically housing, environment, employment, health care, justice system, and education — prevents many communities of color the opportunity to be healthy and thrive.



Many California Households of Color With Children Struggled to Get By During 2021

Share of Households Who Found It Somewhat or Very Difficult to Pay for Usual Expenses



Note: Data represent multiweek averages from survey responses collected intermittently from January 6, 2021 through October 11, 2021. Race and ethnicity categories are mutually exclusive. Due to small sample sizes, some demographic groups were combined into the Multi-Race & Other Races category, including American Indian, Alaska Native, Native Hawaiian or Pacific Islander, or multi-racial respondents. Source: Budget Center analysis of US Census Bureau, Household Pulse Survey data



California's Subsidized Child Care and Development System

- Roughly 250,000 children received care via the subsidized child care and development system in the fall of 2020.
- Prior to the pandemic, 2.3 million children were eligible for subsidized care, but only 1 in 10 received full-day, full-year care.
- Providers are reimbursed on outdated and inadequate payment rates.



2022-23 Subsidized Child Care Proposals

- New investments include:
 - **\$823.7 million** for 36,000 additional child care spaces
 - **\$43.5 million** for support programs and data systems.
- Budget proposal does not maintain pandemic supports for families and providers.



2022-23 State Preschool Proposals

- Includes new requirements for preschool providers:
 - Ensure 10% of children in care have a disability
 - Provide additional support to dual language learners
- Provides **\$308.4 million** to boost payment rates for care for children with disabilities or dual language learners.
- Extends eligibility period from 12 months to 24 and allows providers to enroll 2-year-olds.
- Provides **\$500 million** for the Inclusive Early Education Expansion Program.



2022-23 Transitional Kindergarten Proposals

- Includes **\$1 billion** for second year of Universal Transitional Kindergarten (UTK) implementation:
 - **\$639.2 million** General Fund to serve younger children
 - **\$383 million** Prop. 98 to add staff to classrooms



Proposals to Boost Family Economic Security

- Expands the Young Child Tax Credit by ending work requirements.
- Increases CalWORKs cash assistance, but leaves many children living in deep poverty.
- Closes Medi-Cal eligibility gaps and reduces premiums.
- Boosts funding for home visiting and the Black Infant Health program.
- Redirects more child support to parents and children, but fails to completely end the racist policy.



COVID-19 Supplemental Paid Sick Leave

- Recent action extends supplemental sick leave until September 2022.
- Without it, workers may have just three paid sick days per year.
- In the longer-term, the state should also require employers to provide 10 paid sick leave days per year.



Issues to Watch: Gann Limit

- State Appropriations Limit (Gann Limit) restricts policymakers' ability to raise new tax revenues.
 - Tax revenues in excess of limit over 2-year period must be split between taxpayer refunds and K-14 education
 - Some categories of spending are excluded from being counted toward the limit, including debt service, infrastructure and emergency spending.
- Reforming or repealing the Gann Limit would allow the state to plan for and make the bold investments needed for all Californians to share in the state's wealth.



Other Issues to Watch and Opportunities to Support Advocacy Efforts

- Providing a one-time child tax credit
- Increasing rates for child care providers and extending pandemic supports for families and providers
- Expanding access to the California Food Assistance Program regardless of age and immigration status
- Continuous Medi-Cal coverage of children up to age 5
- New organization: End Poverty in California
- The Children and Youth Behavioral Health Initiative





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