



**Children  
Now<sup>®</sup>**

**On a mission to  
build power for kids.**

# **2024 California Children's Report Card January Budget**



**Stacy Lee, Chief Learning  
Officer & Sr. Managing  
Director Early Childhood**

**CONGRATULATIONS**

**ON AN INCREDIBLE**

**2023-24 Rate Reform Campaign**



# Early Learning & Child Care:

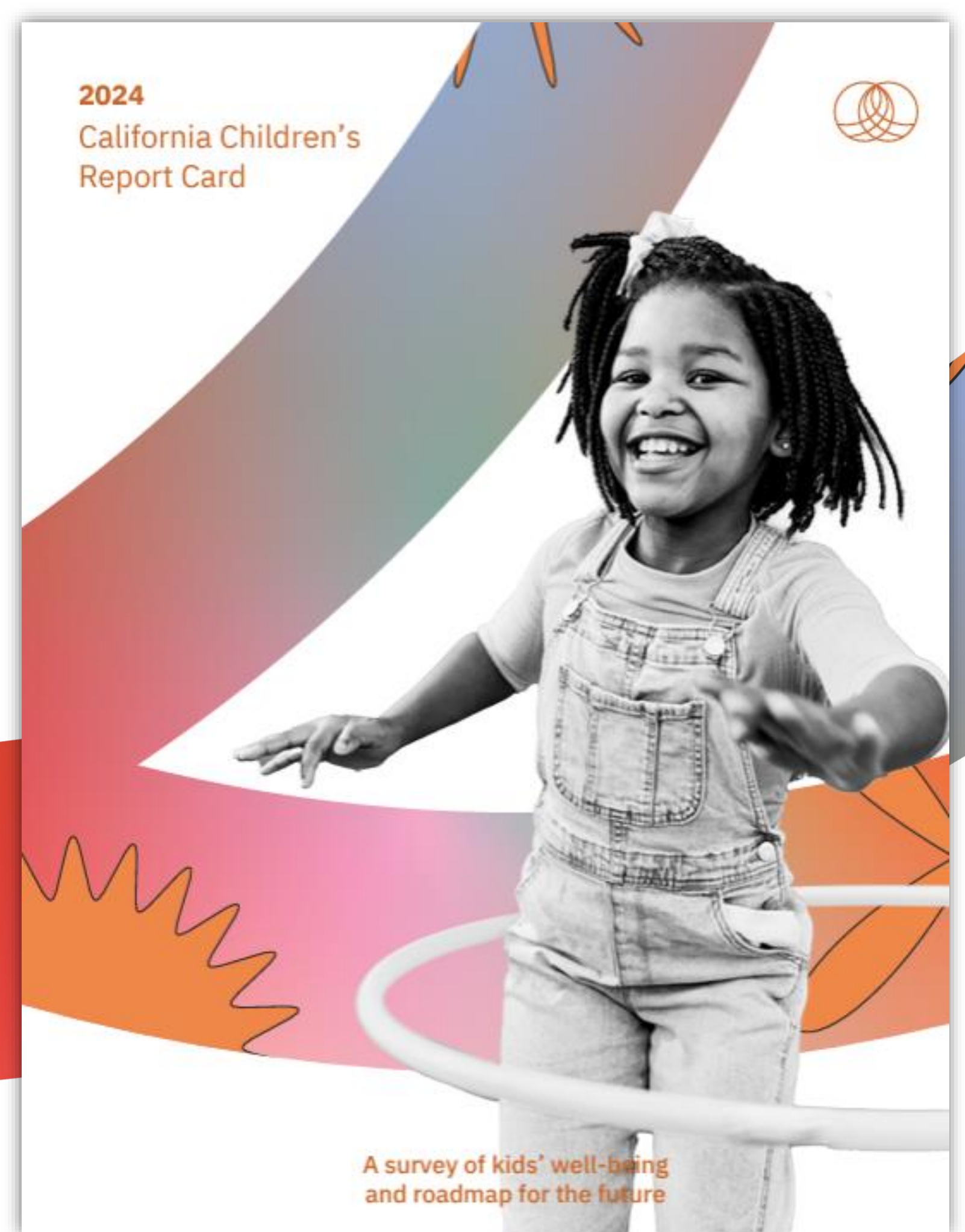
- Maintains funding to align with previous commitments made to Child Care Providers United and aligns increases for others in the child care sector at \$723.8 million.
- Affirms Governor's commitment to develop a single rate structure and alternative methodology by July 2024, a key request from our [Fall 2023 Children's Movement Campaign Letter](#) signed by over 900 organizations and aligned with the ECE Coalition.

# Early Learning & Child Care:

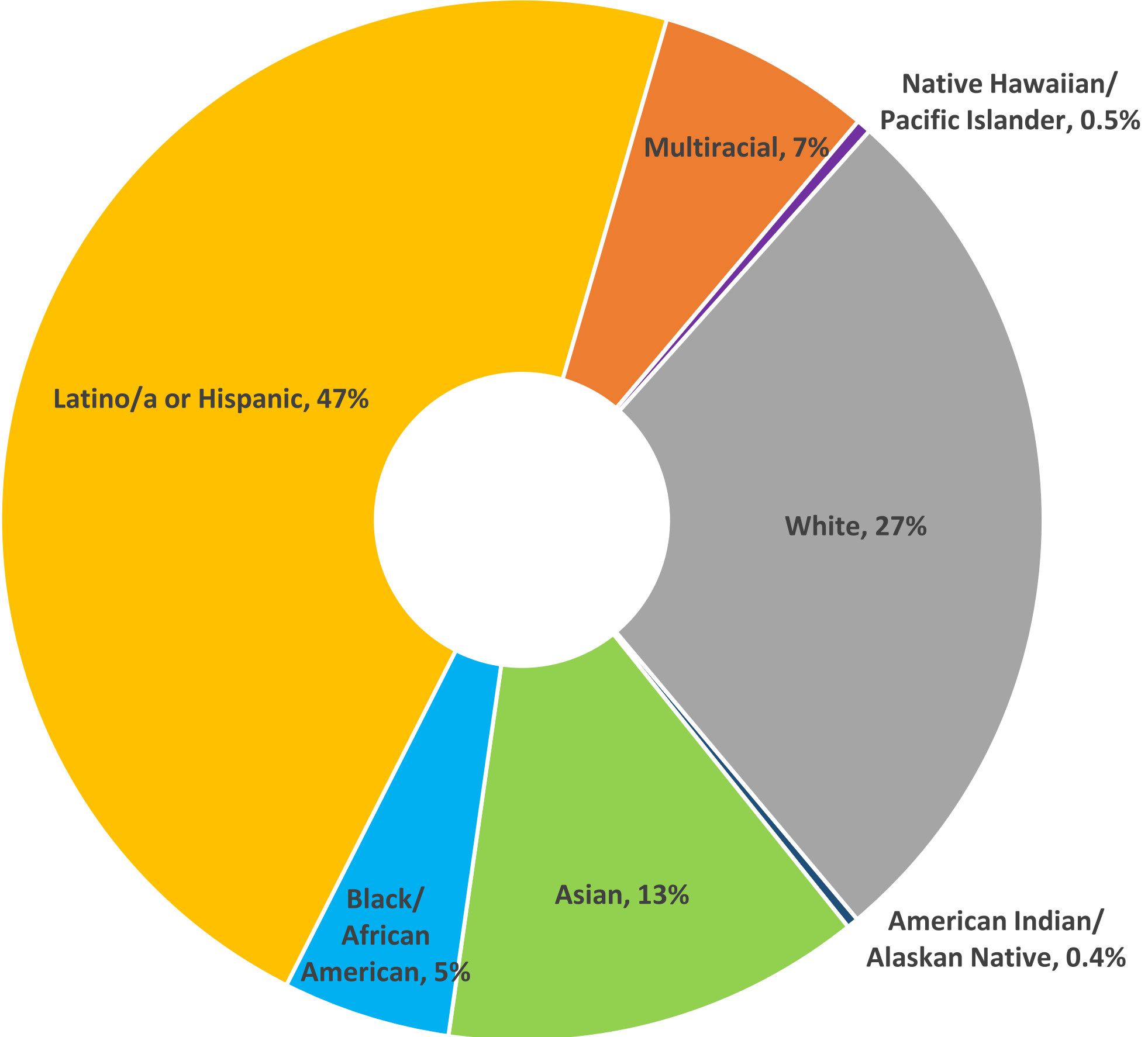
- . Does not increase childcare slots, only affirms funding for the previously expanded 146,000 slots and commitment to reach 200,000 slots by 2026-27. \*Recent news about 16k general child care slots being held
- . Sweeps \$618 million of unspent state preschool funds (98 dollars).
- . Delays \$550 million intended for preschool, TK, and kindergarten facilities to 2025-26.

# Highlights from the *2024 California Children's Report Card*

[www.childrennow.org](http://www.childrennow.org)



# There are 13.7 million Californians ages 0-26.



## HEALTH

- D Birthing Health
- C Environmental Health & Justice
- A- Health Insurance
- D+ Health Care Access & Accountability
- D Preventive Screenings
- D+ Supporting Mental Health
- D- Preventing Substance Abuse
- C Oral Health Care
- C- Relationships & Sexual Health

## CHILD WELFARE

- C Stable Homes & Enduring Relationships
- C+ Health Care for Kids in Foster Care
- D Education Supports for Students in Foster Care
- D Transitions to Adulthood

## FAMILY SUPPORTS

- C- Voluntary Evidence-Based Home Visiting
- B- Paid Family Leave
- B Income Assistance for Low-Income Families

## EDUCATION

- C- Child Care
- B+ Preschool & Transitional Kindergarten
- B- Early Care & Education Workforce
- D Early Intervention & Special Education
- C- Education for Dual Language & English Learners
- C+ Education Funding
- B Expanded Learning Programs
- D STEM Education
- C Educator Pipeline, Retention, & Diversity
- D School Climate: Connections with Adults on Campus
- C School Climate: Discipline & Attendance
- B- Higher Education

## CROSS-SECTOR ISSUES

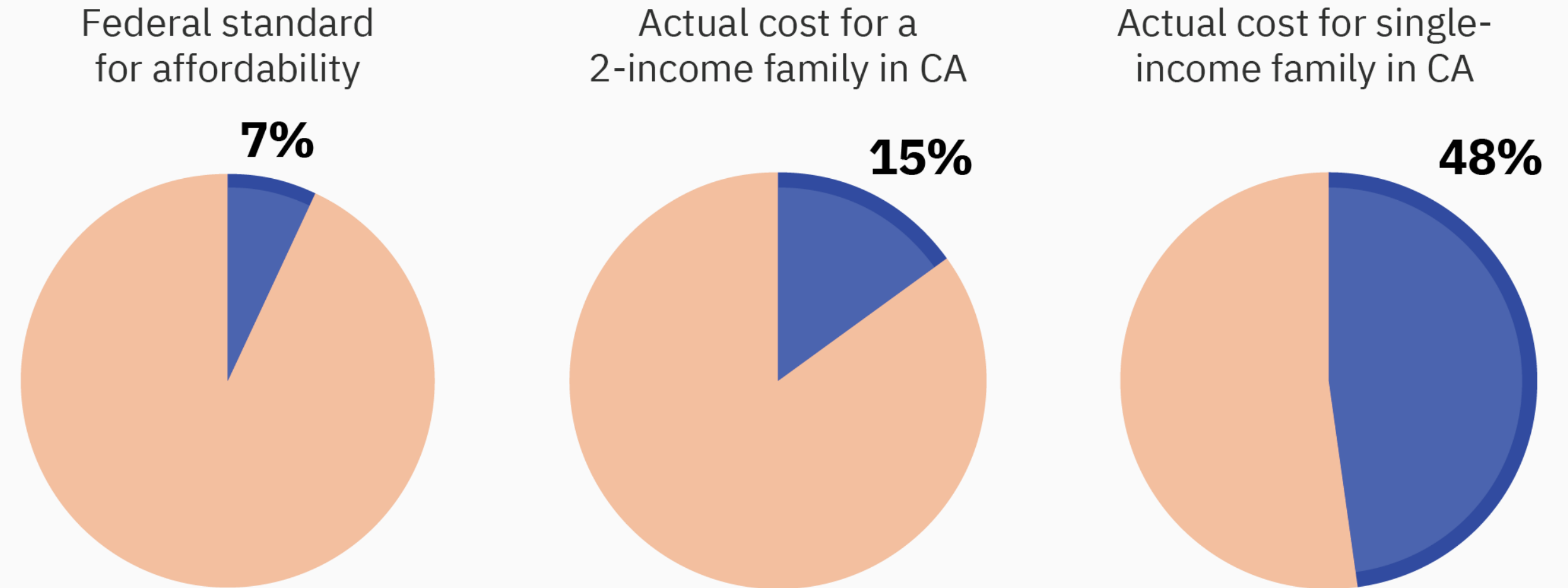
- D- Supports for Unaccompanied Homeless Youth
- C+ Supporting LGBTQ+ Youth
- D+ Decriminalization of Youth
- B- Food Security
- B- Cradle-to-Career Data Systems

# Child Care

Grade C-

Child care affordability is a major concern for California's families.

Child care is not affordable for most families  
(percent of median income devoted to child care, 2021)



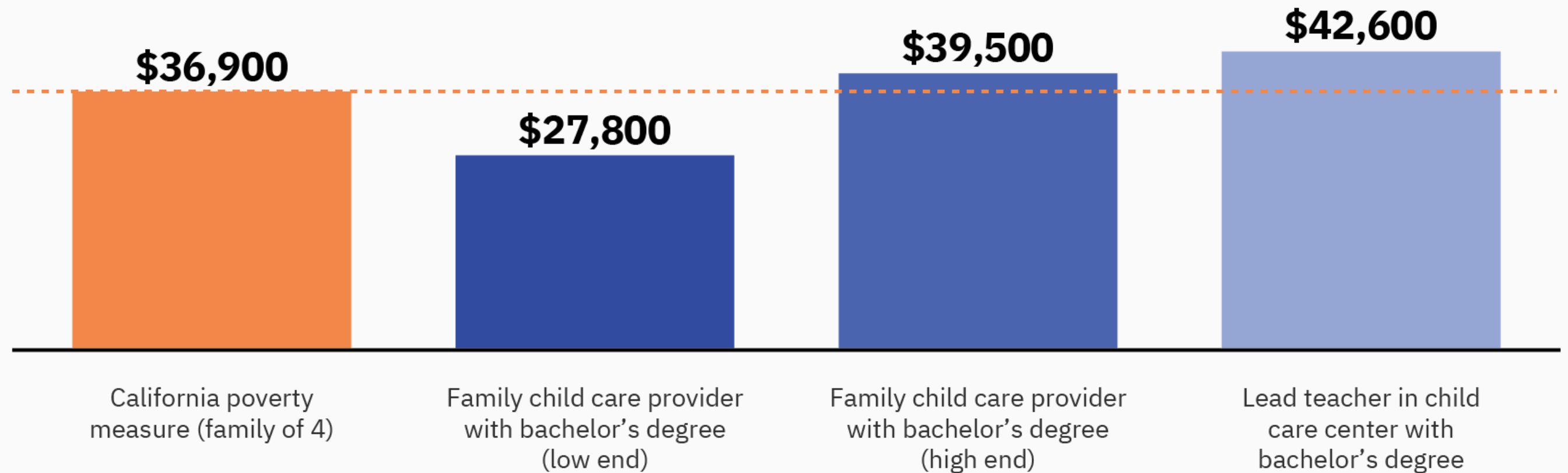


# Early Care & Education Workforce

Grade B-

Child care workers are paid very low wages, so many rely on public assistance programs to make ends meet.

Median wages for California's child care workers are below or near poverty (2022 dollars)



# Preschool & Transitional Kindergarten

Grade B+

California's TK program policies fail to meet major national quality benchmarks.

## Major quality benchmarks for TK that California does NOT meet

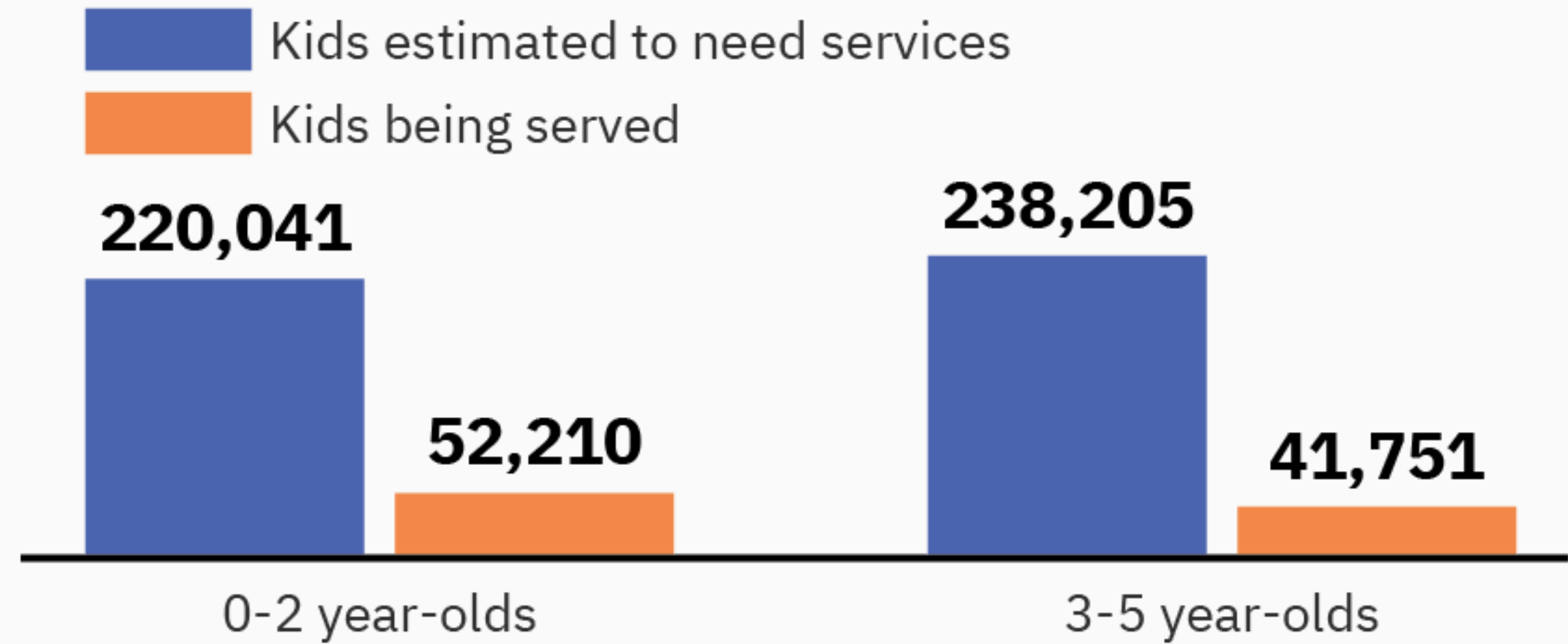
1. Maximum class size of 20
2. Staff-to-child ratio of 1:10 or better
3. Teacher specialization in pre-K and child development
4. At least 15 hours of staff professional development per year
5. Vision, hearing, & health screenings with follow-up referrals
6. System of quality improvement informed by data

# Early Intervention

Grade: D

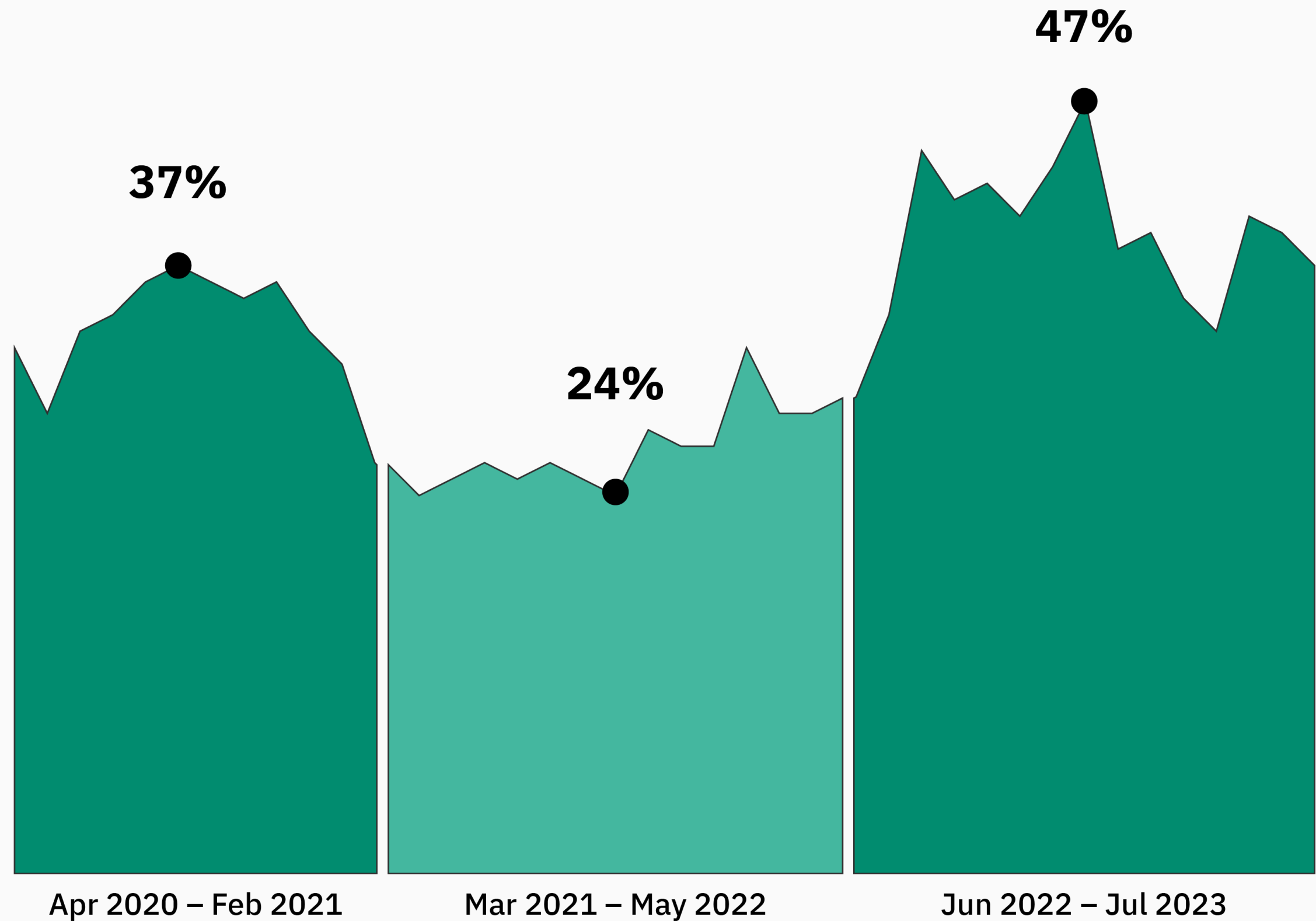
California is failing to identify children who need support early, despite the fact more kids have been referred for developmental evaluations since the pandemic started

Wide gaps between children estimated to need early intervention services & those served (FFY 2021, most recent available)



# Family Supports

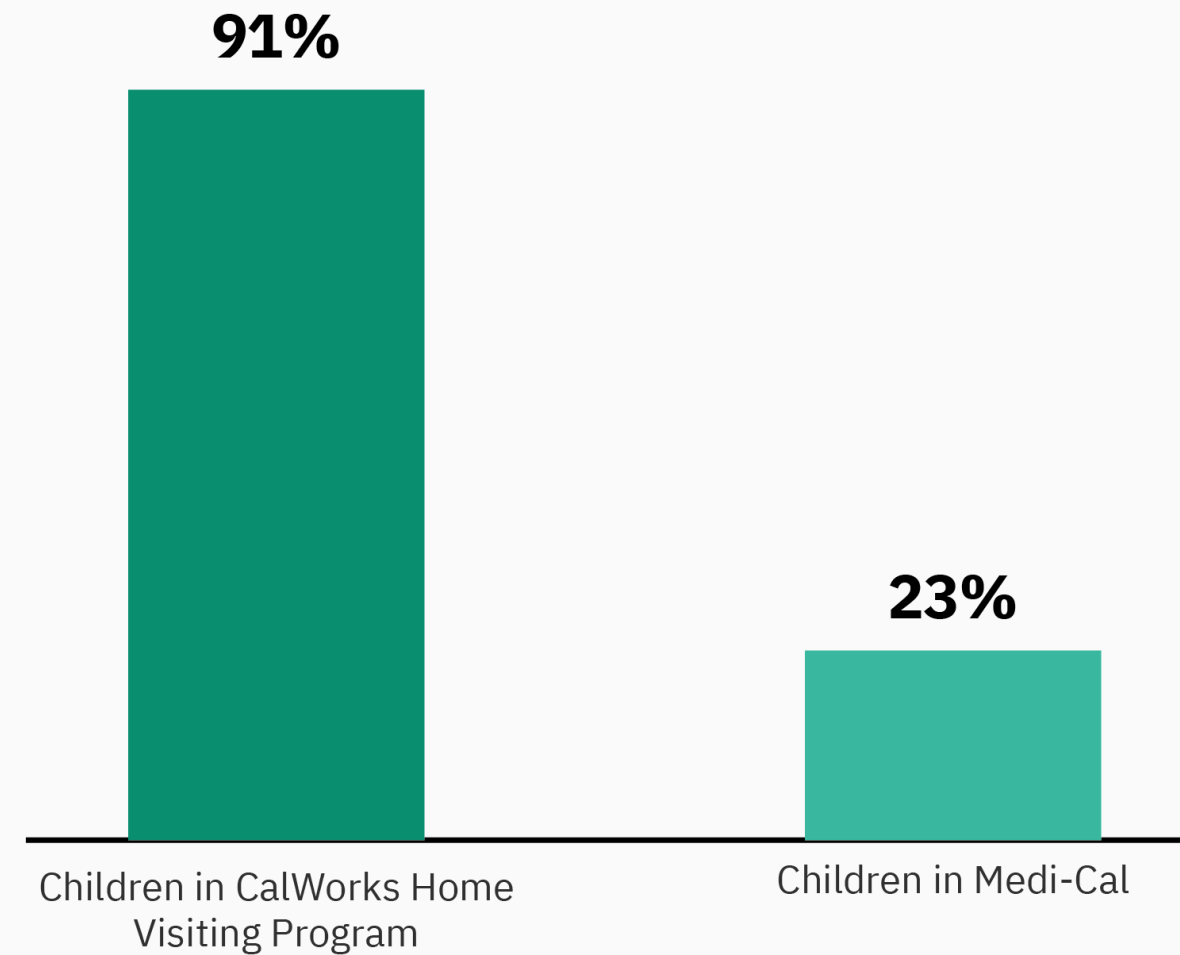
Percent of US households with young kids that had difficulty paying for one or more basic needs like food, housing, and child care



# Voluntary Evidence- Based Home Visiting Grade C-

Despite research proving the benefits of home visiting programs, they do not reach enough California families.

Children in CalWORKS Home Visiting Program were far more likely to receive at least one developmental screening



In FY 2022, the Department of Public Health California Home Visiting program reported that:

**81%** of parents/caregivers were screened for depression.

**70%** of people who gave birth received a postpartum visit with a health care provider within 8 weeks of delivery.

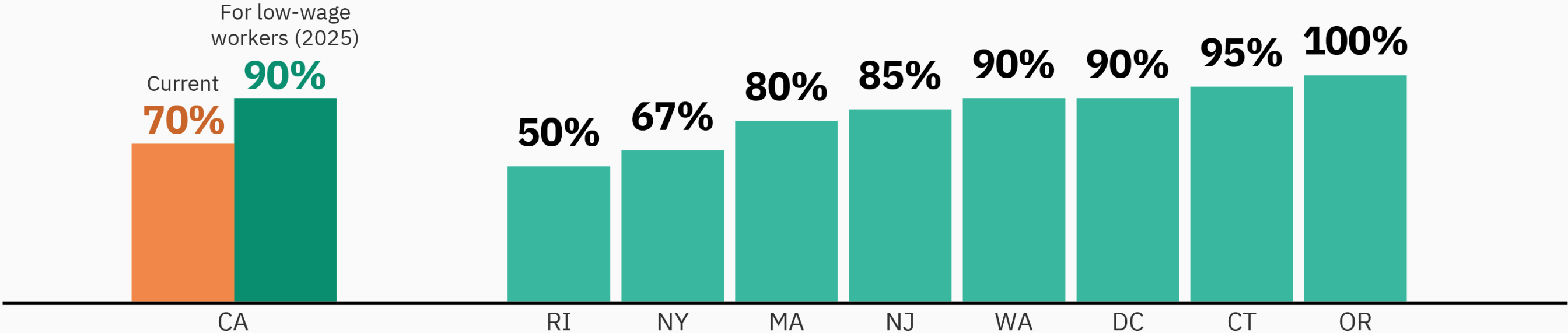
**70%** of children enrolled in California Home Visiting Program (MIECHV) received their well child visits.

# Paid Family Leave

Grade B-

California's PFL wage replacement rates have improved, but continued work is needed to keep up with the handful of peer states that lead the nation on PFL policies.

### Paid Family Leave wage replacement by state



# Brain Science\*



1 million neural connections form every second



Toxic stress weakens architecture of developing brain



Early experiences can alter gene expression and effect long-term development



Stable, positive relationships support healthy brains



\*Center on the Developing Child, Harvard University





## resilient

(of a person or animal) able to [withstand](#) or recover quickly from difficult conditions

## grit

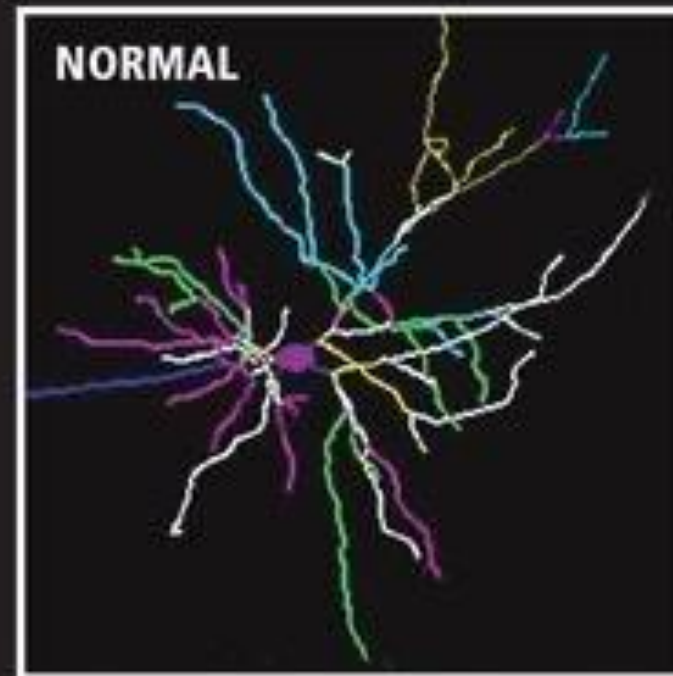
firmness of mind or spirit : unyielding courage in the face of hardship or danger





# HOW TOXIC STRESS IN CHILDHOOD ALTERS THE BRAIN

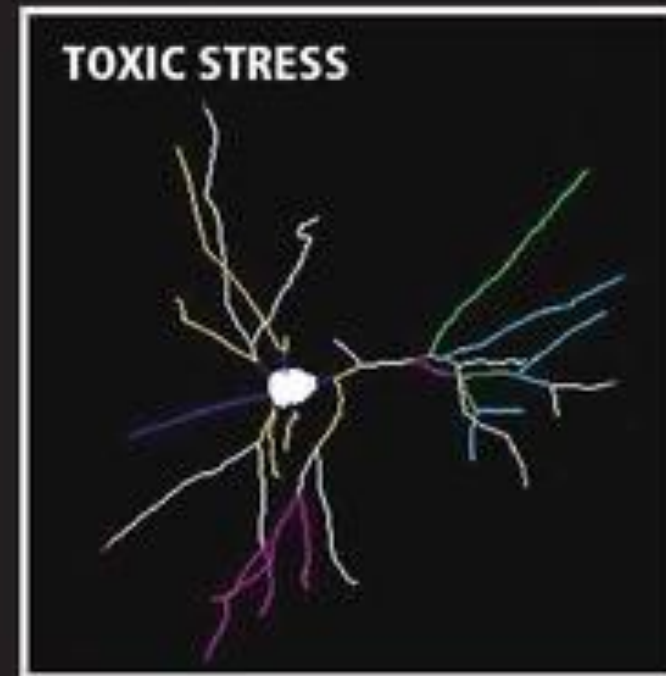
Exposure to major adversity in early childhood can weaken brain development. This can permanently set the body's stress response system on high alert. A stable, nurturing environment can prevent these responses and outcomes for learning, behavior and health.



**NORMAL**

A typical neuron with many connections looks like this.

SOURCES: J.J. Radley Neuroscience 2004



**TOXIC STRESS**

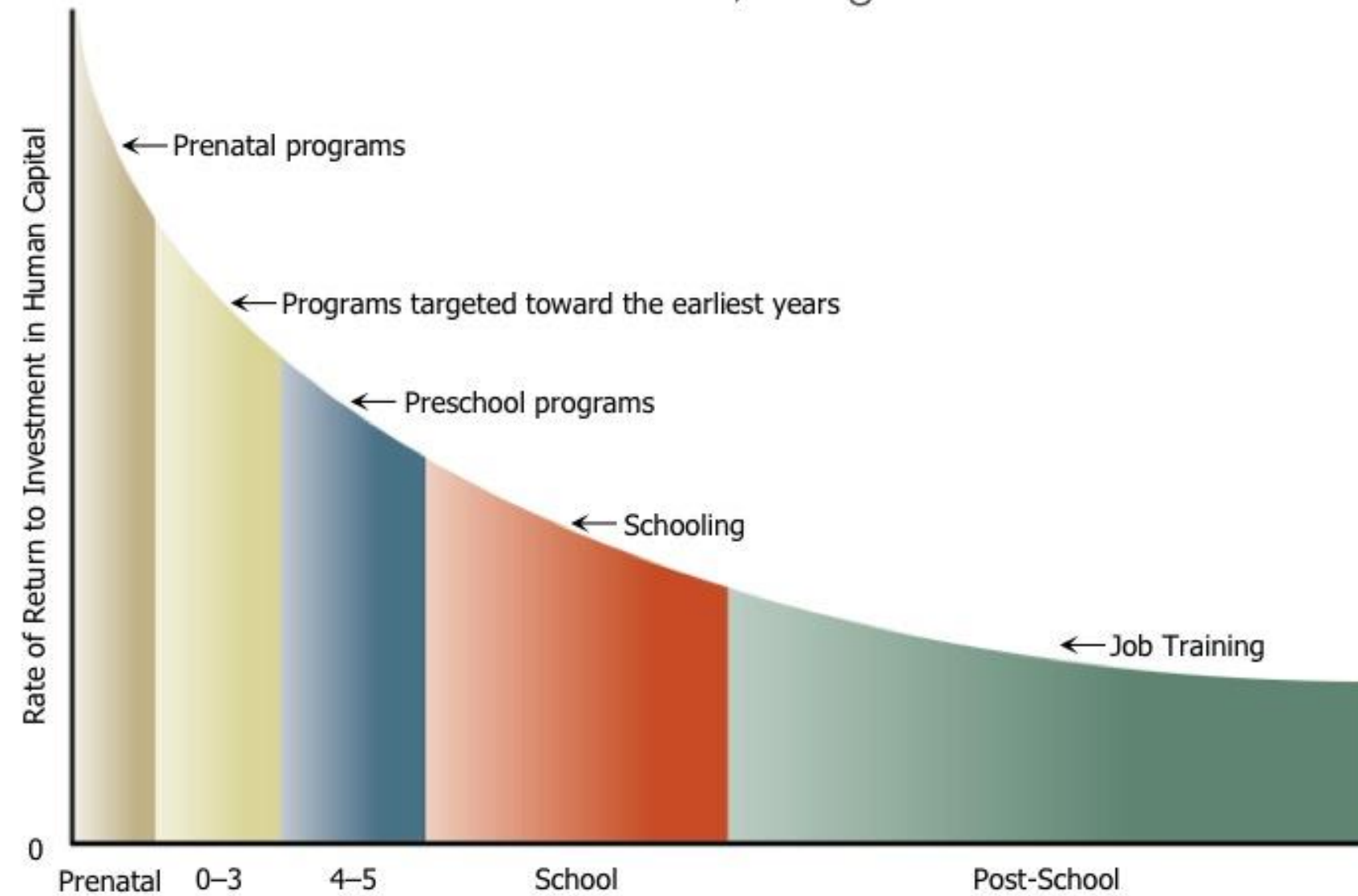
A neuron damaged by toxic stress has fewer connections.

MARTHA THIERRY/DETROIT FREE PRESS

# Economists

## EARLY CHILDHOOD DEVELOPMENT IS A **SMART INVESTMENT**

The earlier the investment, the greater the return



Source: James Heckman, Nobel Laureate in Economics



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1 <https://www.childrennow.org/thechildrensmovement/>

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## Join Us

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March 2021

**CA must make kids our top priority in this State Budget**

Dear Governor Newsom,

The undersigned organizations urge you to prioritize kids in your upcoming May Revise budget proposal. We appreciate that you are being inundated by numerous interests. We also recognize that even with a budget surplus, the state can't sufficiently meet every need and supplement federal investments in every area. As you make tough choices and determine your priorities, we urge you to put kids at the top of the list. The learning loss, isolation, serious mental health issues, and lack of preventive health care because of the pandemic threatens a generation of kids. These outcomes are especially dire for Black and brown children, kids in poverty, students who are English Learners, youth in foster care, and children who are in unsafe situations, all of whom face significant systemic barriers to accessing the services and support they need.

Even before COVID-19, California was not prioritizing kids, especially kids that face systemic barriers to their well-being. Our investments lagged far behind most other states, as did most measures of educational attainment and overall children's well-being. Now the situation is mission critical.

The undersigned call on you to prioritize dollars for supports for kids, across the early childhood, family and economic support, health, K-12 and higher ed, housing, and child welfare domains. Priority items for the May Revise include:

**Child care:** Invest a minimum of \$5 billion (\$1.25 billion in new state funding on top of the \$3.75 billion in federal funding California expects to receive) to stabilize, strengthen and scale child care, including: \$1.5 billion for stipends, hold harmless measures, elimination of family fees, restoring swept workforce and facility block grants, and rebuild ECE capacity with reopening assistance; \$1.5 billion which would update provider reimbursement rates to 2018 levels and create a dedicated multi-year set-aside to implement comprehensive rate reform in 2021-22 and beyond; and \$2 billion to expand child care subsidies for families with low incomes, with at least \$1 billion dedicated to infants and toddlers.

**TK-14 Education:** Ensure there are effective student supports in place and school budgets are stabilized by using one-time federal funds provided for state-level education activities (\$1.4 billion) to recruit and retain teachers and provide high-quality professional learning for educators, paying off debts to TK-12 schools and community colleges (\$3.7 billion); and providing the funding to expand and ensure educationally appropriate practices (group sizes and curriculum) are in place for transitional kindergarten.

**School based mental health:** Provide \$80.5 million to fund turn-key school-county partnerships ready for implementation. These partnerships will help prevent student mental health concerns from becoming severe and disabling, increase timely access to services, participate in outreach to recognize early signs, reduce stigma, reduce discrimination, and prevent negative outcomes.

**Medi-Cal:** Permanently extend Medi-Cal coverage to 100% of children and youth up to age 19, including those who are in foster care, with a maximum of \$55 million in federal match.

**Children in foster care:** Support children and youth in foster care, including those who are in residential treatment facilities, with a total of \$73.2 million in desperately needed pandemic relief funding to increase access to the Emergency Rental Assistance Program and other programs that have reduced child care options.

We recognize the strain you are experiencing and we urge you to ensure that our most vulnerable children and youth remain safe and healthy.

Sincerely,  
The Undersigned Organizations

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Oakland, California 94612  
Additional office located in Sacramento, with staff in Los Angeles and Orange County  
Phone (510) 763-2444  
[info@childrennow.org](mailto:info@childrennow.org)  
[www.childrennow.org](http://www.childrennow.org)

February 9, 2021

The Honorable Toni Atkins  
President pro Tempore  
California State Senate  
State Capitol, Room 205  
Sacramento, California 95814

The Honorable Nancy Skinner  
Chair, Senate Committee on Budget and Fiscal Review  
California State Senate  
State Capitol, Room 5019  
Sacramento, California 95814

The Honorable Anthony Rendon  
Speaker  
California State Assembly  
State Capitol, Room 219  
Sacramento, California 95814

The Honorable Phil Ting  
Chair, Assembly Committee on Budget  
California State Assembly  
State Capitol, Room 6026  
Sacramento, California 95814

Re: Governor's 2021-22 Budget Proposal to Expand Transitional Kindergarten - AMEND

Dear Pro Tem Atkins, Speaker Rendon, and Chairpersons Skinner and Ting:

Thank you for your leadership and your tireless work to support our health, our economy, our communities, and our most vulnerable residents in the midst of the current pandemic. We are writing to urge you to prioritize and support California's youngest children by phasing in, over a multi-year timeline, a series of interconnected investments and structural changes to California's transitional kindergarten program.

To effectively meet the needs of California's young children birth to 5, especially children experiencing poverty, learning English as a second language, and those furthest from opportunity due to the historic and current racist policies and practices, it is essential that California stabilize, strengthen and scale services that are developmentally appropriate and cover the cost of the services envisioned. While there are a myriad of proposals and plans to address these investments, we are highlighting some key issues related to current proposals for your attention below:

**Stabilize and Strengthen Child Care**

The pandemic has strained an already fragile child care system to the breaking point. Comprehensive early care and education has the potential to have a profound and positive impact on a child's later development and success and getting families back to work is critical to California's economic recovery. We must invest to build out the supply of child care to ultimately serve all children who are eligible based on state eligibility standards. To that end, Children Now respectfully urges the Legislature to make a commitment to a multi-year, multi-billion-dollar investment of new general fund dollars in California's early care and education system and, for the 2021-22 budget specifically, to make investments aligned with the ECE Coalition's budget request. This includes expanding child care spaces and education reimbursement rates, restoring the Facilities and Professional Development Block Grants swept in the 2020-21 budget, waiving family fees on an ongoing basis, and updating technology systems to be more family-friendly.

Children Now has prioritized expanding approach policymakers pursue to encourage districts to expand. Children Now believes it is important to ensure that the expansion of TK-12 students is not limited to the 4-year-old cohort and are not using the existing funding resources, including being for a current TK student. The per-student cost of TK is \$10,000. This funding level does not fund the expansion of TK-12 students. If the proposal does not fund the expansion of TK-12 students, this would result in a per-pupil funding relative to other students that is less than that of TK students without an expansion worse.

There should be a guarantee. There should be a guarantee that the expansion of TK-12 students is not limited to the 4-year-old cohort and are not using the existing funding resources, including being for a current TK student. The per-student cost of TK is \$10,000. This funding level does not fund the expansion of TK-12 students. If the proposal does not fund the expansion of TK-12 students, this would result in a per-pupil funding relative to other students that is less than that of TK students without an expansion worse.

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