

CALIFORNIA LIFTING CHILDREN AND FAMILIES OUT OF POVERTY TASK FORCE

The Lifting Children and Families Out of Poverty Task Force Report

Recommended Strategies to Address Deep Child
Poverty and Child Poverty in California

NOVEMBER 2018

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TRANSMITTAL LETTER

November 15, 2018

Dear Governor Brown, Governor-Elect Newsom and Members of the California Legislature:

We present the attached report from the Lifting Children and Family Out of Poverty Task Force, with a great sense of both urgency and hope. The Task Force was established by Chapter 415, Statutes of 2017 (Assembly Bill 1520, 2017, Burke). AB 1520 called for the development of comprehensive strategies aimed at addressing deep child poverty and reducing child poverty in California and established the Task Force to accomplish this task. The Task Force further defined its goals as *ending deep child poverty as soon as possible* and reducing overall child poverty *by 50 percent*. The Task Force identified priority recommendations as those that: (1) directly and immediately reduce deep child poverty, (2) have a foundational immediate and longer-term impact on disrupting the cycle of poverty, and (3) have very substantial evidence in support of them or are innovative programs that have shown substantial promise.

The Task Force includes stakeholders who focus on family and child well-being, from pre-natal care to adulthood, including representatives from the state agencies responsible for health and human services, workforce, education, and housing, local governments, justice agencies, and state and local community organizations that work with and advocate for children and families. This report reflects months of work by the Task Force and its highly regarded researchers and contributors.

In developing the comprehensive recommendations the Task Force specifically followed, and strongly agreed with, the legislative directive to “build on the substantial foundation and progress that has been made in helping low-income Californians and addressing child poverty in the state, such as increases to the minimum wage, the elimination of the maximum family grant rule in the California Work Opportunity and Responsibility to Kids (CalWORKs) program, housing and utility support programs, school nutrition programs, the local control funding formula (LCFF) for K–12 education, state programs under the federal Workforce Innovation and Opportunity Act (WIOA), expansion of health care, investments in child development, the California Earned Income Tax Credit (CalEITC), and outreach and assistance with the federal earned income tax credit.”

In addition, earlier this year the Legislature and Brown Administration took a substantial step in addressing deep child poverty in California by increasing CalWORKs grants, stating their intent to increase the grants to bring CalWORKs participants to at least 50 percent of the federal poverty line over the next three years, and to initiate a home visiting program for first-time

parents in CalWORKs. The Task Force built on that action to recommend the implementation roadmap that includes necessary measures to bring children out of abject poverty and foundational investments in early healthcare, early childhood care and education, and related services.

The Task Force recognized that while the existing safety net has prevented the number of Californians in poverty from becoming much higher, to substantially reduce California's highest in the nation levels of child and family poverty requires further very substantial comprehensive, coordinated steps.

In order to provide a road map for implementation of the necessary steps to substantially reduce child poverty, the recommendations are presented with suggested investments for Fiscal Years 2019-2029. Based on the best available research, data and lived experience, they are meant to provide a road map for consideration and refinement as part of the legislative process. In considering these new investments California will need to weigh its ability to sustain current programs and respond to economic uncertainties. Although the case has been made in this report for the long-term economic as well as human and societal benefits of these investments, the initial years implementing this roadmap may require increased revenues or reductions to other areas of the budget. The recommended ramp up of the investments is designed to provide time for that planning.

When implemented, these recommendations will end deep child and family poverty in California. California will become the first state in America to have done so and will provide a model for the country.

We thank you in advance for your consideration of this report and collaboration to achieve our shared goals.

Sincerely,



WILL LIGHTBOURNE



CONWAY COLLIS

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Acknowledgements

<i>The Task Force would also like to thank the following individuals who provided research, data and input into the recommendation process:</i>	
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Alliance for Children's Rights	Angie Schwartz
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California Department of Housing and Community Development	Ben Metcalf
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Executive Summary

California has the highest number of children and highest percentage of children living in poverty of any state in the nation.¹ In order to help address additional strategies, in 2017 the California legislature passed Assembly Bill 1520 (Chapter 415, Statutes of 2016) directing the California Department of Social Services to convene The Lifting Children and Families Out of Poverty Task Force to recommend comprehensive strategies to achieve the reduction of “deep poverty” (families with income below half of the federal poverty level) among children and reduce the overall child poverty rate in the state. In carrying out the Legislative directive, the Task Force established the goals of ending deep child poverty as soon as possible and reducing overall child poverty by 50 percent.

The Task Force includes stakeholders who focus on family and child well-being from birth to adulthood including state and local community organizations that work with and advocate for children and families, local government, justice agencies, and representatives from among the state agencies responsible for health and human services, workforce, education, and housing programs. The Task Force is supported by researchers with subject-matter expertise from the Goldman School of Public Policy, University of California, Berkeley, and Stanford Center on Poverty and Inequality. From December 2017 through October 2018, the Task Force convened regularly to hear presentations that included extensive data from experts, input from community members, and to discuss policy challenges and potential solutions. Task Force members convened subcommittees to formulate recommendations in key policy areas and shared these recommendations with the full Task Force for approval. The Task Force also developed corresponding benchmarks for measuring implementation progress.

As the Task Force determined how to meet its charge, it recognized that both immediate needs like family stabilization and more foundational multi-generational approaches for long-term impacts require developing strategies that consider multiple concurrent needs. Families need housing, food, and clothing to become stable, and then health care, education, child care, skills and economic opportunities to escape poverty and become economically mobile and independent. Providing only one, or even several, of these things, will not eliminate deep poverty or sustain a reduction.

The Task Force’s specific approach involved the development of changes within seven major policy areas, as displayed in Appendix D. For each category the Task Force considered a mix of recommendations—some of which have immediate impacts on deep child poverty and can be achieved in a relative short time frame, and others designed to produce “foundational changes.” The foundational recommendations surround and support the immediate-impact recommendations, and have been shown to disrupt the intergenerational cycles of poverty. Many of the proposals exhibit both types of characteristics—for example, recent studies provide evidence that, in addition to addressing the immediate need of food and housing stability, increases in cash and near-cash subsidies have a lasting positive effect on the future development

¹ Laird, Jennifer, et al. "Poor State, Rich State: Understanding the Variability of Poverty Rates across US States." *Sociological Science* 5 (2018): 628-652.

of children, families, and the economy in terms of improved school performance, graduation rates, and adult earnings. Similarly, child care subsidies result in an immediate improvement in financial circumstances of low-income households, and have been shown to have strong positive effects on future cognitive development and outcomes of young children receiving quality care.

It is important to note that the recommendations are coordinated with one another to ensure that each one is properly targeted and leveraged. As an example, the targeted low-income tax credit is designed to eliminate deep poverty in a focused and cost-effective manner. In this regard, the size of the credit takes into account family resources from private earnings and public benefits. This design ensures that the credit is specifically targeted to families facing deep poverty. At the same time, the credit includes provisions (such as partial income-disregards) that support parents' on-going efforts to work more hours and improve family income. The recommendations are also built on and assume the continuation of fundamental investments in programs already made by the Governor and Legislature to address family and child poverty in California.

The recommendations were developed in recognition of the unique challenges facing low-income families with children in impacted population groups and geographic areas. To help address these issues the Task Force included place-based recommendations, such as funding for creation of 20 new Promise Neighborhoods. It included recommendations for children involved in the child welfare system and those experiencing homelessness. The child care recommendations recognize the needs of families working during non-traditional evening and overnight hours. Finally, the targeted low-income credit is based on the California poverty measure, which recognizes differences in housing costs throughout the state.

Within each policy area, the Task Force divided its recommendations into two categories. "Priority recommendations" are those which will directly reduce deep child poverty in a relatively short time frame or have a proven foundational impact on disrupting the cycle of poverty by improving upward mobility and increasing positive adult outcomes for children living in poverty. "Comprehensive recommendations" are those that would also be instrumental to improving the lives of low-income children and breaking the cycle of poverty.

The Priority Recommendations, Target Populations, and Costs section of this report provides cost estimates and related information for each of the Task Force's priority recommendations. In recognition of the large budget impact that would occur if the recommendations were implemented concurrently, the Task Force developed a recommended phase-in for its proposals. The recommended phase-in prioritizes services to families with children in deep poverty, and within this group, targets families with very young children and special populations such as children in foster care or children experiencing homelessness. It also recognizes the vital role of health care to the well-being of families, by immediately expanding full scope Medi-Cal coverage to all adults with children up to 138 percent of the federal poverty level.

In addition to reducing the impact on the budget, a phase-in of the recommendations combined plan recognizes the practical barriers to implementing major expansions to services in a short time frame. This is particularly true for the expansions in child care, home visiting, and

employment training, which will require providers to add many new workers and related infrastructure to accommodate additional participants.

Under the phase in, the priority recommendations would cost \$1.4 billion in 2019-20, \$3.5 billion in 2020-21, and \$5.6 billion in 2021-22. These figures include a new targeted child tax credit for very low income families that incorporates rental housing subsidies; a phase in of the \$1.2 billion increase in CalWORKs grants, which is included in intent language to the 2017-18 budget; expanded access to child care and early childhood education; and voluntary home visiting and expanded Medi-Cal coverage for all adults with children up to 138 percent of the federal poverty level. When fully and successfully implemented they are calculated to end deep child poverty in California.

The longer-term estimates (shown below in the section titled “Priority Recommendations, Target Populations, and Costs” with additional annual detail in Appendix E) are based on current need and levels of poverty and do not include offsetting savings that will occur in the short, intermediate, and long term as the positive impacts of the interventions take hold. Nor do they include the positive impacts on adult earnings as today’s children grow up and become more successful adults. It is estimated that the combination of these factors will result in future benefits to state and local governments of more than \$12 billion annually.

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I. Poverty in California: The Policy Challenge and Current Strategies

Understanding poverty and the intergenerational cycle of poverty

California has the highest poverty rate in the country, due in large part to high living costs,² income inequality and the on-going impact of institutional and economic racism that disproportionately impacts communities of color. Poverty is defined as living with the absence of the ability to meet basic human needs, including shelter, food, clothing, sanitation facilities, health, education and information, and safe drinking water. Factors affecting whether someone lives in poverty include income, costs, education and skills, economic opportunity, supportive services, familial and community supports, race, and a variety of other factors. Living “at the poverty line” means basic human needs may be met, with nothing extra. Deep poverty is defined as someone living at or below 50 percent of the poverty line standard.

There are multiple measures of poverty, which are defined and discussed in Appendix A. These indices vary based, primarily, on the extent to which they incorporate government programs and the cost of living when determining the poverty threshold.

The Supplemental Poverty Measure (SPM), developed by the U.S. Census, uses an enhanced measure of economic resources compared to the Official Poverty Measure (OPM) (which uses cash income); it includes in-kind transfers and is post-tax (thus it includes tax credits). This measure is based on a 5-year moving average of the 33rd percentile of out-of-pocket spending on food, clothing, shelter, and utilities (FCSU) for units with two children, plus 20 percent to account for other necessary expenses. In addition to adjusting for family size and composition, the SPM also accounts for geographic differences in housing costs.

According to California Poverty Measure (CPM) 2016 estimates, 19.4 percent of all Californians and 21.3 percent of California’s children live in poverty while 5.5 percent of all Californians and 4.8 percent of California’s children live in deep poverty. Deep poverty, or half the federal poverty level (FPL), is defined as living on incomes that are less than half of the poverty threshold—less than \$12,500 for a family of four.³ The CPM, though adjusting for actual (versus estimated) benefits received, only presents a slightly improved picture of poverty in California. As shown in Exhibit 1, California’s poverty rate has declined only slightly—by 2.4 percentage points—since 2011 when the rate was 21.8 percent. Deep poverty is relatively stable, having declined only 0.8 percentage points since 2011.⁴ This underscores the fact that California

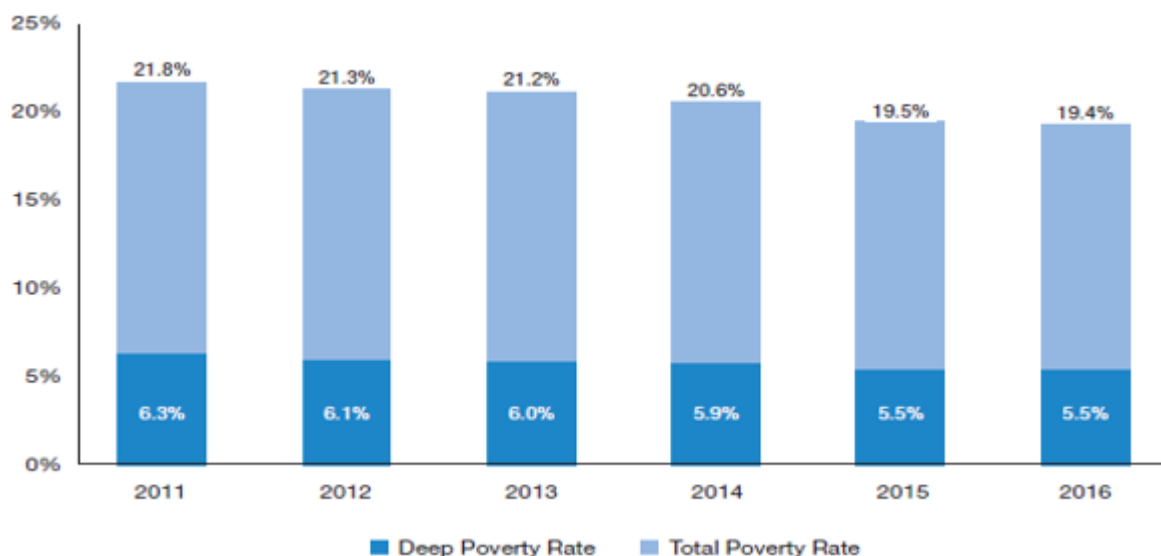
² Laird, Jennifer, et al. "Poor State, Rich State: Understanding the Variability of Poverty Rates across US States." *Sociological Science* 5 (2018): 628-652.

³ Bohn, Sarah, Caroline Danielson, and Tess Thorman. (2018). Poverty in California. San Francisco, CA: Public Policy Institute of California. Retrieved from: http://www.ppic.org/wp-content/uploads/JTF_PovertyJTF.pdf; Bohn, Sarah, Caroline Danielson, and Tess Thorman. (2018). Child Poverty in California. San Francisco, CA: Public Policy Institute of California. Retrieved from: http://www.ppic.org/wp-content/uploads/JTF_ChildPovertyJTF.pdf.

⁴ Wimer, Christopher, Marybeth Mattingly, Sara Kimberlin, Jonathan Fisher, Caroline Danielson, and Sarah Bohn. (2018). 2.1 Million Californians in Deep Poverty. Stanford, CA: Stanford Center on Poverty and Inequality. Retrieved

has done its due diligence in maintaining the safety net and preventing more people from entering into poverty since the recession, but more comprehensive strategies must be adopted to substantially reduce the poverty rate for children and families.

Exhibit 1. California poverty rates (using the CPM), 2011 to 2016



Reprinted from “2.1 Million Californians in Deep Poverty,” by Wimer, Christopher, Marybeth Mattingly, Sara Kimberlin, Jonathan Fisher, Caroline Danielson, and Sarah Bohn, Stanford Center on Poverty and Inequality, 2018. Reprinted with permission.

Those with less education and labor force participation are 3 to 5 times more likely to live in poverty. In 2016, roughly 5 in 10 high school dropouts were living in poverty (48.0 percent), compared to less than 1 in 10 college graduates (8.6 percent).⁵ Similarly, in 2012, for those working full-time and year-round, about 1 in 10 were living in poverty (9 percent), compared to about 3 in 10 for those not participating in the labor force (33.7 percent) or working part-time (28 percent), and almost 4 in 10 for the unemployed (36.7 percent).⁶

Most of California’s families living in poverty are “working poor.” In 2016, among families that included at least one working age adult (under 65 years old), most included at least

from: https://inequality.stanford.edu/sites/default/files/california_poverty_measure_2016.pdf?mc_cid=1f8f7aa5d2&mc_cid=3da9239f95.

⁵ Wimer, Christopher, Marybeth Mattingly, Sara Kimberlin, Caroline Danielson, and Sarah Bohn. (2015). Poverty and Deep Poverty in California. Stanford, CA: Stanford Center on Poverty and Inequality. Retrieved from: https://inequality.stanford.edu/sites/default/files/california_poverty_measure_2016.pdf?mc_cid=1f8f7aa5d2&mc_cid=3da9239f95.

⁶ Wimer, Christopher, Marybeth Mattingly, Sara Kimberlin, Caroline Danielson, and Sarah Bohn. (2015). Poverty and Deep Poverty in California. Stanford, CA: Stanford Center on Poverty and Inequality. Retrieved from: https://inequality.stanford.edu/sites/default/files/CPM_Brief_Poverty-Deep-Poverty_0.pdf.

one member who was working (79.5 percent). Over half of these families had full time jobs (58 percent), the rest worked part time or full time for part of the year (42 percent).⁷

Poverty rates vary regionally within California, but both urban and rural communities face high poverty rates.

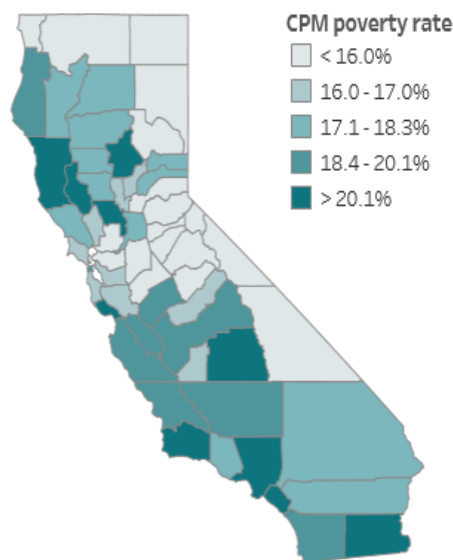
Poverty impacts rural and urban communities alike (Exhibit 2). Urban households face higher than average living costs which are not always offset by increased access to well-paying jobs. Conversely, rural communities have lower living costs but face a labor market disadvantage.⁸

Poverty disproportionately impacts communities of color and immigrants.

Nearly one-third of Hispanics (26.1 percent) lived in poverty in 2012, compared to 18.9 percent for blacks and 17.6 percent for Asians, and only 13.5 percent for White, non-Hispanics.⁹

People living in poverty can experience frequent or ongoing toxic stress throughout their lifetimes. Such stress can result in social, cultural, ecological as well as physiological consequences.¹⁰ According to the Harvard University Center on the Developing Child: “When toxic stress response occurs continually, or is triggered by multiple sources, it can have a cumulative toll on an individual’s physical and mental health—for a lifetime. The more adverse experiences in childhood, the greater the likelihood of developmental delays and later health problems, including heart disease, diabetes, substance abuse, and depression.”¹¹

Exhibit 2. California poverty by county



2014-2016 Average CPM
Reprinted from “California Poverty by County and Legislative District,” by Public Policy Institute of California, 2018. Reprinted with permission.

⁷ Bohn, Sarah, Caroline Danielson, and Tess Thorman. (2018). Poverty in California. San Francisco, CA: Public Policy Institute of California. Retrieved from: http://www.ppic.org/wp-content/uploads/JTF_PovertyJTF.pdf; Bohn, Sarah, Caroline Danielson, and Tess Thorman. (2018). Child Poverty in California. San Francisco, CA: Public Policy Institute of California. Retrieved from: http://www.ppic.org/wp-content/uploads/JTF_ChildPovertyJTF.pdf.

⁸ Wimer, Christopher, Marybeth Mattingly, Sara Kimberlin, Jonathan Fisher, Caroline Danielson, and Sarah Bohn. (2018). 2.1 Million Californians in Deep Poverty. Stanford, CA: Stanford Center on Poverty and Inequality. Retrieved from: https://inequality.stanford.edu/sites/default/files/california_poverty_measure_2016.pdf?mc_cid=1f8f7aa5d2&mc_cid=3da9239f95.

⁹ Hamilton, Erin. (2018). The Poverty of Unauthorized Immigrant Children and Children in Mixed Status Families in California. Presentation to the Lifting Children and Families Out of Poverty Task Force, March 14.

¹⁰ Grills, Cheryl. (2018). The Role of Culture, Context, and Community Engagement to Address Child Poverty in California. Presentation to the Lifting Children and Families Out of Poverty Task Force, March 14.

¹¹ Shonkoff, J.P., A.S. Garner, B.S. Siegel, M.I. Dobbins, M.F. Earls, L. McGuinn, ... L.M. Wegner. (2012). The lifelong effects of early childhood adversity and toxic stress. *Pediatrics*, 129(1). DOI: 10.1542/peds.2011-2663.

Intergenerational poverty is poverty that is perpetuated across generations of families instead of being triggered by a specific situation. Such poverty is associated with prolonged exposure to poor nutrition and inadequate access to critical resources, such as quality healthcare and education, throughout one's life, from prenatal to adolescence, through adulthood, and—if adults have children—parenthood. The cycle of poverty can continue for generations and often leads to the destabilization of entire neighborhoods and communities. At its core are adverse experiences that perpetuate and exacerbate poverty, such as the impacts of institutional racism, exposure to interpersonal and community violence, abuse and neglect, enrollment in low performing schools, low earnings, poor health, and homelessness.

Alleviating poverty: the social safety net

California's social safety net programs offer critical supports

The poverty rates facing California would be much higher without the substantial public investments in the social safety net. The social safety net is a set of programs that collectively work to lift families out of poverty with cash assistance and targeted nutrition and health benefits.

Social safety net programs help eligible individuals meet their immediate basic needs while promoting their self-sufficiency and developing their human capital to break the cycle of poverty. These programs may impact children directly or impact them indirectly by providing support to their parents. As depicted in Exhibit 3, California's social safety net includes nutrition programs, health insurance, and cash and employment supports, each focused on key outputs and intermediate outcomes that are linked to poverty reduction:

- **Nutrition programs**, such as CalFresh (California's implementation of the Supplemental Nutrition Assistance Program), school lunch programs, and the supplemental program for Women, Infants, and Children (WIC), are designed to give families with low incomes access to food and nutritional education to meet their need for nutrition and improve other health outcomes. Most immediately, addressing food insecurity is posited to lessen the risk of developmental delays and improve outcomes such as children's ability to focus and perform at school.¹² By centering on the consumption of healthy foods, these programs are also designed to prevent obesity and other negative health outcomes associated with poor nutrition.¹³
- **Health insurance**, provided through Medi-Cal, which encompasses Medicaid and the Children's Health Insurance Program (both federal), is critical to helping avoid negative health outcomes associated with being poor, including high infant mortality and low birth weight, higher incidence and severity of diseases such as asthma, low immunization rates,

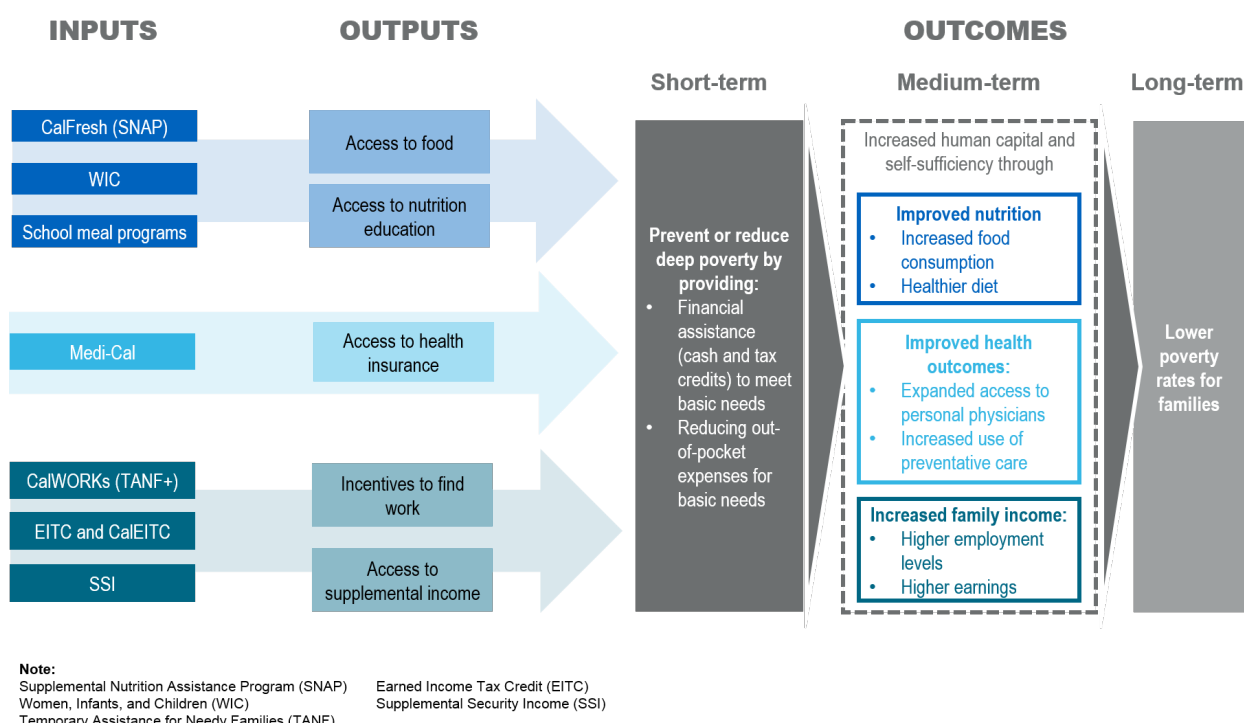
¹² East, Chole N. (2016). The Effect of Food Stamps on Children's Health: Evidence from Immigrants' Changing Eligibility. Denver, CO: The University of Denver. Retrieved from <http://www.sole-jole.org/17153.pdf>.

¹³ Our Kids, Our Future. (2018). Washington, DC: First Focus and Child Poverty Action Group. Retrieved from <https://static1.squarespace.com/static/5783bb3f46c3c42c527e1a41/t/5acf69fa6d2a73de67916fed/1523542529081/OKOF+-+Master+Web+Version+-+April+2018.pdf>.

and other physical and mental health problems that reach into adulthood.¹⁴ Children and parents with access to health insurance are more likely to access the quality care they need for healthy development.¹⁵

- Cash and employment supports**—which include the California Work Opportunity and Responsibility to Kids (CalWORKs) (California's implementation of the federal Temporary Assistance for Needy Families (TANF) program), the Earned Income Tax Credit (EITC), California EITC (CalEITC) (a California supplement to the federal EITC), and Supplemental Security Income (SSI)—seek to keep individuals and families from poverty by giving them the means to purchase basic needs. Some of these programs—EITC, CalEITC and CalWORKs—also encourage work in the belief that employment is key to independence from welfare and offers a path out of poverty in the long term. CalWORKs also helps adult participants strengthen the core capabilities that are necessary to overcome adversity by offering services focused on executive functioning, goal achievement, and other needs of the whole family (not just the parent or caregiver). Further, CalWORKs functions as a safety net for children in the sense that sanctions for failure to meet work participation requirements, and reaching time limits on benefit receipt for adults, do not lead to termination of assistance to children.

Exhibit 3. Inputs, outputs, and outcomes for California safety net programs



¹⁴ Our Kids, Our Future. (2018). Washington, DC: First Focus and Child Poverty Action Group. Retrieved from <https://static1.squarespace.com/static/5783bb3f46c3c42c527e1a41/t/5acf69fa6d2a73de67916fed/1523542529081/OKOF+-+Master+Web+Version+-+April+2018.pdf>.

¹⁵ Katch, Hannah. (2017). Medicaid Works: Millions Benefit from Medicaid's Effective, Efficient Coverage. Washington, DC: Center on Budget and Policy Priorities.

While all programs target low-income households, each program has a unique set of eligibility rules and benefit formulas that shape its reach and impact (Exhibit 4). Each program has income limits, but these as well as asset limits vary across programs. Programs can also target specific low-income populations. For example, WIC and CalWORKs are restricted to families with children, and the EITC and CalEITC also focus most resources on this population, whereas SSI/SSP (Supplemental Security Income/State Supplementary Payment) is designed to help children and adults living with disabilities and the elderly population. Some programs work together to coordinate eligibility and thus, increase access and reduce burden for participants. For example, CalWORKs participants are automatically eligible for CalFresh.

The social safety net in California has significant reach, particularly among children in poverty, as outlined in Exhibit 5. For example, CalFresh alone reached a quarter of California's children in 2017—delivering \$6.7 billion in benefits to 4.1 million Californians—and over half of all of California's children are enrolled in Medi-Cal, which has helped to halve the rate of uninsured children and non-elderly adults.

Exhibit 4. Overview of California safety net programs

Program	Benefit	Benefit Amount	Key eligibility requirements	Restricted to adults with dependent s?	Eligibility linked to another program?
CalFresh	Monthly transfers to an electronic benefit card that can be used to purchase approved foods at stores, farmer's markets, etc.	Expected monthly food costs (accounting for household size) ¹⁶ exceeding 30% of household's income Average benefit in California: \$4.50 per person per day (in 2017) ¹⁷	Gross monthly income ≤ 200% FPL Net income ≤ 100% of FPL Assets ≤ \$2,250 (less for certain households)	No	CalWORKs
WIC	Monthly "checks" to purchase food packages specially designed to meet nutritional needs of WIC participants Screening and referrals, and educational sessions on nutrition, breastfeeding, and parenting through local agencies	Depends on package. Value of a package ranges from \$1,368-\$2,211 per year for a mother and her infant, plus WIC services. ¹⁸	Pregnant women, new mothers, infants, and young children up to age 5 who are found to be at risk nutritionally Income ≤ 185% FPL	Yes	Medi-Cal, CalFresh, CalWORKs

¹⁶ Based on the United States Department of Agriculture's Thrifty Food Plan. The Thrifty, Low-Cost, Moderate-Cost, and Liberal Food Plans each represent a nutritious diet at a different cost. The Thrifty Food Plan is the basis for SNAP (Supplemental Nutrition Assistance Program) allotments. The other food plans develop diets based on different food cost assumptions.

¹⁷ Hoynes, Hilary. (2018). CalFresh. Presentation to the Lifting Children and Families Out of Poverty Task Force, January 17.

¹⁸ National Academies of Sciences, Engineering, and Medicine (NASEM). (2017). Improving Balance and Choice: Final Report. Washington, D.C.: NASEM. Retrieved from: <https://www.nap.edu/catalog/23655/review-of-wic-food-packages-improving-balance-and-choice-final>.

Program	Benefit	Benefit Amount	Key eligibility requirements	Restricted to adults with dependents?	Eligibility linked to another program?
Medi-Cal	Free/almost free health insurance, covering ambulatory patient services, emergency services, hospitalization, maternity and newborn care, mental health and substance use treatment, dental care, vision, and long-term care and supports.	Benefit amounts by category (including state + federal) are as follows: Elderly: \$10,889 Disabled: \$20,653 Non-elderly, non-disabled adult: \$1,803 Children: \$2,368 ¹⁹	Income ≤138% FPL Assets ≤ \$2,000 for individuals or ≤ \$3,000 for couples. Eligibility requirements are higher for pregnant women and children under 21.	No	SSI, CalWORKs
CalWORKs	(1) Cash assistance with resources to develop work readiness and skills, (2) enhanced job placement and family stability by supporting and funding education, (3) child care, (4) transportation, (5) mental health services, (6) housing support, (7) wraparound services to help stabilize the family environment, and (8) case management	Maximum monthly benefit for a family of three. ²⁰	Countable income < 79% FPL for a two-person household Assets ≤ \$2,250 Required weekly work activities: 30 hours for single parents, 20 hours if the parent has a young child, 35 hours for two-parent families Lifetime limit of 48 months for adults; no time limit kids under 18	Yes	No
EITC	Refundable tax credit; starts with first dollar of earned income and increases up to a maximum credit level	Depends on marital status and household size, and is significantly higher for households with children. ²¹ In 2017, maximum of \$6,318 for a family with three or more children.	Earned income <0 Adjusted gross income: ≤ 124% FPL for adult without dependent ≤ 240% FPL for adult with one dependent	No	No
CalEITC	Refundable tax credit to supplement the EITC	Depends on household size. In 2016, the maximum level was \$2,706 for a family of three or more.	Earned income <0 Adjusted gross: ≤ 124% FPL for adult without dependent ≤ 135% FPL for adult with one dependent	No	No

¹⁹ Henry J. Kaiser Family Foundation: <https://www.kff.org/medicaid/state-indicator/medicaid-spending-per-enrollee/?currentTimeframe=0&selectedRows=%7B%22states%22:%7B%22california%22:%7B%7D%7D%7D&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

²⁰ California State Budget 2018-2019. Retrieved from <http://www.ebudget.ca.gov/2018-19/pdf/Enacted/BudgetSummary/HealthandHumanServices.pdf>

²¹ Tax Policy Center. Key Elements of the U.S. Tax System: What is the Earned Income Tax Credit (EITC)? (n.d.). Retrieved from <http://www.taxpolicycenter.org/briefing-book/what-earned-income-tax-credit-eitc> on April 24, 2018; Center on Budget and Policy Priorities. Policy Basics: Introduction to SNAP. Washington DC: February 13, 2018 (last updated). Retrieved from <http://www.cbpp.org/research/policy-basics-introduction-to-the-supplemental-nutrition-assistance-program-snap>.

Program	Benefit	Benefit Amount	Key eligibility requirements	Restricted to adults with dependent s?	Eligibility linked to another program?
SSI / SSP (Supplemental Security Income/State Supplemental y Payment)	Monthly cash income intended to help meet the costs of basic needs such as food, shelter, and clothing ²²	\$750/month from SSI, plus \$160.72/month from SSP (for one eligible person residing in their own home, as of 2018) ²³	Adults and children with disabilities, and limited income and assets. Seniors with limited income and assets. Income ≤116% FPL (disabled, non-blind) Assets ≤ \$2,000 for individuals or ≤ \$3,000 for couples	No	No
National School Lunch Program (NSLP) and National School Breakfast Program (SBP)	Federally funded school nutrition programs. The NSLP and SBP provide reimbursement to support provision of free, reduced-price and paid lunches and breakfasts in California schools.	Depends on income and household size. In school year 2018-19 for a family of 8 the maximum annual income is \$55,094 for free meals and \$78,403 for reduced-price meals.	Eligibility for free or reduced-price meals varies based on both income and household size.	NA	Medi-Cal, SNAP ²⁴

Source: CalFresh Eligibility and Issuance Requirements available at <http://www.cdss.ca.gov/inforesources/CDSS-Programs/CalFresh/Eligibility-and-Issuance-Requirements>.

SSI in California available at <https://www.ssa.gov/pubs/EN-05-11125.pdf>.

Social Security Substantial Gainful Activity available at <https://www.ssa.gov/oact/cola/sga.html>.

CalWORKs Eligibility available at <http://www.cdss.ca.gov/CalWORKS>

Medi-Cal Eligibility available at <http://www.dhcs.ca.gov/services/medi-cal/Pages/DoYouQualifyForMedi-Cal.aspx>.

WIC Income Guidelines available at <https://www.cdph.ca.gov/Programs/CFH/DWICSN/CDPH%20Document%20Library/LocalAgencies/WPPM/980-1060WICIncomeGuidelinesTable.pdf>. WIC benefit amount represents the annual pre-rebate cost of a WIC package (in 2015 dollars); pre-rebate costs represent the market value of a fully redeemed food package to the WIC recipient.

CalEITC information available at <https://www.ftb.ca.gov/individuals/faq/net/900.shtml>.

EITC information available at <https://www.irs.gov/credits-deductions/individuals/earned-income-tax-credit/do-i-qualify-for-earned-income-tax-credit-etc>.

Note: For 2018, the official poverty level for a one-person household is \$12,140 annual income. In California, individuals receiving SSI cannot receive CalFresh benefits.²⁵ CalWORKs income requirements vary based on household size and region of the state. CalEITC income requirements vary based on household size.

²² SSI Payment Amounts for 2018. (n.d.). Retrieved from the Social Security Administration website at <https://www.ssa.gov/oact/cola/SSI.html>.

²³ SSI/SSP Rates. (n.d.). Retrieved from the California Department of Social Services website at http://www.cdss.ca.gov/Portals/9/CCLD/EM/2018_SSI-SSP.pdf?ver=2017-11-30-095409-930

²⁴ Income Eligibility Scales for School 2018-19. Retrieved from California Department of Education website <https://www.cde.ca.gov/ls/nu/rs/scales1819.asp>

²⁵ Report, Legislative Analyst's Office. (2018). The Potential Effects of Ending the SSI Cash-Out. Retrieved from <http://www.lao.ca.gov/Publications/Report/3729>.

Exhibit 5. Reach of California safety net programs

Program	Reach in California
CalFresh	<ul style="list-style-type: none"> • In 2017, distributed \$6.7 billion in benefits to 4.1 million people²⁶ • Nearly 75% are families with children; almost 50% are working families²⁷ • Reaches more than 25% of California's children²⁸
WIC	<ul style="list-style-type: none"> • In 2017, served 1.08 million people (largest program in the county)²⁹ • 77% were infants and young children³⁰ • A majority of children born in California are eligible (67% in 2012)³¹ • California is a national leader in program coverage, enrolling 65% of its eligible population compared to the national average of 53% (as of 2015)³²
NSLP / SBP	<ul style="list-style-type: none"> • In October of 2015, on average over 3 million students participated in the NSLP and more than 1.6 million participated in the SBP in California. • Approximately 71% of total lunches and 76% of total breakfasts served were free and 11% of lunches and 10% of breakfasts were reduced price in October of 2015 in California.³³

²⁶ Supplemental Nutrition Assistance Program, website. (n.d.). See <https://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap>.

²⁷ Hoynes, Hilary. (2018). CalFresh. Presentation to the Lifting Children and Families Out of Poverty Task Force, January 17.

²⁸ Center on Budget and Policy Priorities. (2017). Policy Basics: Introduction to SNAP. Washington DC: February 13, 2018 (last updated). Retrieved from <http://www.cbpp.org/research/policy-basics-introduction-to-the-supplemental-nutrition-assistance-program-snap> on April 25, 2018.

²⁹ California Department of Public Health. (2017). About WIC. Sacramento: May 23, 2017 (last updated). Retrieved from <https://www.cdph.ca.gov/Programs/CFH/DWICSN/Pages/AboutWIC.aspx> on April 23, 2018; U.S. Department of Agriculture, Food and Nutrition Service. WIC Program Data: Monthly Data – State Level Participation by Category and Program Costs. (2018). Alexandria, VA: April 6, 2018 (last updated). Retrieved from <https://www.fns.usda.gov/pd/wic-program>.

³⁰ U.S. Department of Agriculture, Food and Nutrition Service. (2018). WIC Program Data: Monthly Data – State Level Participation by Category and Program Costs. Alexandria, VA: April 6, 2018 (last updated). Retrieved from <https://www.fns.usda.gov/pd/wic-program> on April 23, 2018.

³¹ U.S. Department of Agriculture, Food and Nutrition Service. (2018). WIC Program Data: Monthly Data – State Level Participation by Category and Program Costs. Alexandria, VA: April 6, 2018 (last updated). Retrieved from <https://www.fns.usda.gov/pd/wic-program> on April 23, 2018.

³² U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support. (2018). National- and State-Level Estimates of Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Eligibles and Program Reach in 2015, by Carole Trippe, Chrystine Tadler, Paul Johnson, Linda Giannarelli, and David Betson. Project Officer: Grant Lovellette. Alexandria, VA: USDA.

³³ Annual Child Nutrition Programs Participation Data. School Nutrition Programs (SNP 2015-16 County Profile). Retrieved from the California Department of Education website at <https://www.cde.ca.gov/ds/sh/sn/#annual>

Program	Reach in California
Medi-Cal	<ul style="list-style-type: none"> 34% of the state population is enrolled, including more than 50% of California's children³⁴ Following the 2014 coverage expansion authorized by the Affordable Care Act, enrollment increased 58% between summer 2013 and January 2016³⁵ and rates of uninsured children and non-elderly adults have dropped by half.³⁶
CalWORKs	<ul style="list-style-type: none"> In 2015, reached 65% of California families with children who were living in poverty.³⁷ In 2017, 81% of recipients were children.³⁸
EITC	<ul style="list-style-type: none"> In 2017, California had 2.9 million federal EITC claims that paid back about \$6.8 billion with an average EITC refund of \$2,379 (https://www.eitc.irs.gov/eitc-central/statistics-for-tax-returns-with-eitc/statistics-for-tax-returns-with-eitc)
CalEITC	<ul style="list-style-type: none"> About 1.3 million 2017 tax year filers have claimed the state EITC through April, an increase from 386,000 claims in the 2015 tax year, the first year the credit was available. (https://lao.ca.gov/Publications/Report/3826)
SSI / SSP	<ul style="list-style-type: none"> Reaches a small percentage of children in California (108,354 or 1.2% in December 2016).³⁹

California's social safety net programs significantly alleviate poverty

Without the social safety net, estimates suggest that poverty would increase by 12.5 percentage points, deep poverty rates would triple in California, and over 1 million more children would be in poor households. When looking at specific programs, Social Security has the greatest impact on the poverty rate (-5.1 percentage points), followed by tax credits (-3.2 percentage points) and CalFresh (-2.4 percentage points). If all programs were eliminated, the poverty rate would jump from an estimated 21.8 percent to 34.4 percent. Even more striking, the deep poverty rate would more than triple, going from 5.9 percent to 18.5 percent. It is worth

³⁴ Gates, Alexandra, Robin Rudowitz, and Samantha Artiga. (2016). Two Year Trends in Medicaid and CHIP Enrollment Data: Findings from the CMS Performance Indicator Project. Published by Henry J. Kaiser Family Foundation. Retrieved from <https://www.kff.org/report-section/two-year-trends-in-medicare-and-chip-enrollment-data-appendix-b/view/print/>.

³⁵ Gates, Alexandra, Robin Rudowitz, and Samantha Artiga. (2016). Two Year Trends in Medicaid and CHIP Enrollment Data: Findings from the CMS Performance Indicator Project. Published by Henry J. Kaiser Family Foundation. Retrieved from <https://www.kff.org/report-section/two-year-trends-in-medicare-and-chip-enrollment-data-appendix-b/view/print/>.

³⁶ Fronstin, Paul. (2017). As Coverage Goes, Millions Go Without It. Published on website of California Health Care Foundation. Retrieved from <https://www.chcf.org/publication/californias-uninsured-as-coverage-grows-millions-go-without/>.

³⁷ The CalWORKs Program. (n.d.). Retrieved from the Public Policy Institute of California website at <http://www.ppic.org/publication/the-calworks-program/>.

³⁸ The CalWORKs Program. (n.d.). Retrieved from the Public Policy Institute of California website at <http://www.ppic.org/publication/the-calworks-program/>.

³⁹ SSI Recipients by State and County. (n.d.). Retrieved from the Social Security Administration website at https://www.ssa.gov/policy/docs/statcomps/ssi_sc/2016/ca.pdf; Kids Count (n.d.) Retrieved from the Kids COUNT website at <https://datacenter.kidscount.org/data/tables/103-child-population-by-race#detailed/2/6/false/870/68,69,67,12,70,66,71,72/423,424>.

noting that, with poverty-reducing programs less than one-third of the individuals in poverty are living in deep poverty. Without these programs, those in deep poverty would make up more than half of all individuals living in poverty. These estimations make it clear that the state's safety net is doing real and substantial poverty-reducing work in its current form, particularly when it comes to keeping families out of deep poverty.⁴⁰ Eliminating deep poverty and significantly reducing overall poverty, however, will require the comprehensive approach recommended in this report.

II. Priority Recommendations, Target Populations, and Costs

Recommendation	Target Population and Type of Impact	State Costs During Phase-In (Millions of Constant 2018 Dollars)			Fully Phased-In Costs
		2019-20	2020-21	2021-22	
Social Safety Net					
Expand CalEITC by raising credit for those with limited earnings.	Primarily families in poverty and deep poverty. Immediate impact.	40	80	120	160
Establish a targeted child tax credit (TCTC) for families in deep poverty (distributed monthly).	Families in deep poverty. Immediate impact.	290	550	1,260	2,400
Increase CalWORKs grant amounts to end deep poverty within CalWORKs.	Primary impact on families in deep poverty. Immediate impact.	150 ^a	750 ^a	1,200 ^a	1,200 ^a
Early Childhood					
Raise parental leave wage replacement rates to 100% for low-income workers. Initially fund with balance in FPL fund.	Primary impact on children and families in poverty and deep poverty. Also would impact those at risk of poverty. Immediate impact.	b	b	b	b
Guarantee access to child care for low-income families; add 30,000 slots in 2019-20, and 15,000 per year thereafter.	Children and families in poverty and deep poverty. Foundational impact.	500	850	1,200	5,000 ^c

⁴⁰ Wimer, Christopher, Marybeth Mattingly, Sara Kimberlin, Caroline Danielson, and Sarah Bohn. (2015). Poverty and Deep Poverty in California. Stanford, CA: Stanford Center on Poverty and Inequality. Retrieved from: https://inequality.stanford.edu/sites/default/files/CPM_Brief_Poverty-Deep-Poverty_0.pdf.

Recommendation	Target Population and Type of Impact	State Costs During Phase-In (Millions of Constant 2018 Dollars)			Fully Phased-In Costs
		2019-20	2020-21	2021-22	
Establish a tiered reimbursement structure to incentivize, reward and retain higher levels of workforce competencies necessary to expand access and achieve positive outcomes.	Children and families in poverty and deep poverty. Foundational impact.	d	d	d	d
Support workforce training and improvement.	Children and families in poverty and deep poverty. Foundational impact.	d	d	d	d
Housing and Homelessness					
Protection and landlord incentives for families using Section 8 and other rent vouchers.	Individuals and families in poverty, deep poverty, and those at risk of poverty. Immediate impact.	7	15	15	15
Fund shallow rental subsidies (flat dollar subsidies based on unit size) for families with children in deep poverty (using the California Poverty Measure). Subsidies could be time-limited or ongoing.	Children and families in poverty and deep poverty.	e	e	e	e
Implement (1) rent stabilization and (2) a set of housing supply provisions in localities falling short of their low-income housing goals and/or experiencing rent increases in excess of inflation.	Provisions would apply to varying degrees to most families, but primary focus would be on families in poverty, deep poverty, or at risk of poverty. Immediate impact.	1	1	1	1
Health Care					
Expand Medi-Cal coverage to all adults with dependent children, up to 138% of the FPL regardless of immigration status.	Children and families in poverty and deep poverty, as well as those at risk of poverty. Immediate impact.	270	825	1,250	1,600
Develop state funding mechanism to fund nonprofit federally qualified health centers.	Primarily children and families in poverty and deep poverty. Foundational impact.	30	30	30	30

Recommendation	Target Population and Type of Impact	State Costs During Phase-In (Millions of Constant 2018 Dollars)			Fully Phased-In Costs
		2019-20	2020-21	2021-22	
Education, Workforce, and Training					
Fund supportive services for low-income workforce and education program participants.	Primarily adults and families in deep poverty. Immediate impact.	25	50	50	50
Ensure that the education funds allocated to serve children in poverty, foster youth and/or English Language Learners in the Local Control Funding Formula are expended on these subgroups. This must be paired with expected outcomes for educational institutions to improve the educational attainment of children living in poverty. In addition, the Legislature should reassess whether the current formula is adequate to meet the needs of students.	Children/families in poverty and deep poverty. Foundational impact.	Depends on future actions	Depends on future actions	Depends on future actions	Depends on future actions
Prioritize parents living in poverty for workforce and training programs.	Focus on families with children in deep poverty. Foundational impact.	25	75	125	250
Special Populations					
Encourage all local governments to waive outstanding juvenile court fees and fines.	Primarily children and families in poverty and deep poverty but would impact others without regard to poverty status. Immediate impact.	0	0	0	0
Create stronger statutory safeguards to protect low-income children and families from being referred to the juvenile court, prosecuted, and fined for truancy.	Primarily children in poverty and deep poverty. Foundational impact.	0	2	5	5
Expand the Childcare Bridge Program to meet the needs of children in foster care.	Children in poverty and deep poverty. Foundational impact.	11	34	45	85
Ensure adequate and appropriate housing for Transition Age Youth (TAY) and non-minor dependents.	Youth in poverty and deep poverty. Foundational impact.	7	21	35	70
Examine strategies and opportunities to increase contact visiting between children and their parents at local jails that give children the opportunity to touch and hug their parents.	Primarily children and families in poverty and deep poverty, but would impact others without regard to poverty status. Foundational impact.	1	2	0	0

Recommendation	Target Population and Type of Impact	State Costs During Phase-In (Millions of Constant 2018 Dollars)			Fully Phased-In Costs
		2019-20	2020-21	2021-22	
School stability for youth that have right to remain in their school of origin.	Children in poverty and deep poverty. Foundational impact.	2	5	20	60
Coordinated Services					
Improve data collection, applications, and database systems.	Children and families in poverty and deep poverty. Immediate impact.	2	3	^f	^f
Expand voluntary evidence-based home visiting for families in deep poverty.	Children with families in deep poverty. Foundational impact.	60	150	200	1,500
Create 20 new Promise Neighborhoods.	Focus on children and families in poverty and deep poverty but would have positive impacts on other children and families in the designated neighborhoods, without regard to poverty status. Foundational impact.	15	30	45	\$100
Strengthen integration and coordination of key state agencies to ease data sharing among tax, vital records, education, human services, public safety, and health organizations.	Primarily children and families in poverty and deep poverty, but also would impact those at risk of poverty but not in poverty.	2	3	^f	^f
Total, Priority Recommendations:		\$1,436	\$3,475	\$5,603	\$12,526
Comprehensive Recommendations:^g		\$203	\$572	\$883	\$1,458
Grand Total, Priority and Comprehensive Recommendations:		\$1,639	\$4,047	\$6,486	\$13,984

^a CalWORKs grant increases are consistent with 2017 budget intent language (AB 1811).

^b Costs in initial years associated with higher wage replacement, which are estimated to be about \$300 annually, are assumed to be covered by the balance in the SDI fund. Under existing law, once the excess balance is drawn down, annual costs would be covered by a modest increase in the SDI rate on employee wages. However, the Legislature could also choose to cover the costs with General Fund appropriations.

^c Child care costs after 11 years and 195,000 slots created. Full costs would depend on participation rates, particularly for parents of infants and toddlers, but could eventually be several billions of dollars more.

^d Total costs for tiered reimbursements, training, and related quality improvements unknown. About 20% of the costs included in the guaranteed access estimate are for initial payments toward these goals.

^e In the course of its work, the task force developed a proposed shallow rent subsidy for all families in deep poverty. That recommendation is not included in the final report with cost estimates, because the objective of such a shallow rent subsidy would be achieved through enactment of the monthly TCTC. If a low claiming rate or monthly distribution mechanism proves to be an insurmountable problem, the shallow rental subsidy is a viable (though less cost-efficient) alternative.

^f Included are initial costs for planning and coordinating. Excluded are future costs for IT, which are unknown but could be significant.

^g Not broken out in this table but included in Appendix D, Exhibit D.2.

III. Future Economic Benefits and Fiscal Savings of Task Force Recommendations

While there is a strong moral obligation to address childhood poverty, reductions in poverty will also have substantial long-term benefits for the economy. Many longitudinal panel studies have found that children living in poverty, and especially in deep poverty, are less likely to achieve important adult milestones than those who have never been exposed to poverty in their childhood years. A panel study published by the Urban Institute in 2015 found that 93 percent of children brought up in households that were never poor received high school diplomas, compared to 83 percent of children in households experiencing intermittent poverty, and just 64 percent in persistently-poor households.⁴¹ Similarly, 70 percent of those who never experienced poverty were consistently employed between ages 25 and 30, versus 64 percent in intermittently poor households and just 35 percent in persistently poor households.

Poverty has major consequences for the economic health of California. The persistent effect of childhood poverty on adult outcomes has negative effects on the overall economy. An analysis published by the Urban Institute in 2007 found that childhood poverty costs the U.S. economy about 4 percent per year in lost economic productivity associated with poorer health and costs of crime.⁴² For California, this would translate into economic losses of over \$100 billion annually.

Poverty also impacts the public sector. The economic losses associated with childhood poverty obviously have negative consequences for individuals in terms of lost income and lower standards of living. However, they also have significant impacts on the public sector. State and local governments spend approximately \$75 billion annually on health, social services, and justice programs that are impacted to varying degrees by poverty in the state. The degree to which poverty is addressed has a major impact on the long-term, organizational capacity, caseloads, and costs of these programs.

Task Force recommendations will improve near-term and long-term outcomes. In addition to the direct beneficial impacts on children and their families today, there is a vast body of evidence suggesting that its recommendations will result in better economic and fiscal outcomes in the future. Note that these recommendations assume and are based upon the continuation of investments made by the legislature and current administration to address overall family and child poverty in California.

Some of these effects unfold soon, starting at birth. The case for home-visiting programs, for example, is backed by a large body of randomized controlled trials and other high-quality research that demonstrates their effectiveness. The health benefits of home visiting are especially clear, with a strong pattern of reduced risk of low birthweight or pre-term births, reduced child

⁴¹ Caroline Ratcliffe, “Child Poverty and Adult Success.” Urban Institute’s Low-Income Working Families Project, September 2015.

⁴² Harry Holzer, “The Economic Costs of Child Poverty.” Testimony before the U.S. House Committee on Ways and Means. Published by the Urban Institute, January 2007.

maltreatment, reduced emergency medical care, fewer diagnoses of attention deficit hyperactivity disorder, and reduced use of alcohol and drugs. Likewise, there are clear health benefits for participating mothers, including improved prenatal health.⁴³ The research evidence on cognitive development and school readiness is also compelling. The children participating in home-visiting programs are more attentive, regulate their behavior better, develop better language skills, have higher test scores, and have lower rates of juvenile arrest.⁴⁴

The positive effects of coordinated services build over time. Recent research indicates that cash support programs result in improvements in educational attainment, graduation rates, and college enrollment—improvements that are highly correlated with higher adult earnings.⁴⁵ Programs focusing on services rather than income support have also been found to have major positive long-term educational and economic outcomes. A meta-analysis of long-term effects of preschool shows that participation is associated with an increase of 1.46 (for state-funded preschool) to 1.68 (for model programs like the Perry Preschool Program) times the odds of graduating from high school.⁴⁶ At the same time, increasing access to child care also removes barriers to work for parents, supporting families to increase their incomes through employment (and work-linked tax credits) to obtain the long-term benefits associated with increases in family income, as described above. Thus subsidized child care provides dual long-term benefits to children.

Improvements in educational attainment are of particular importance.⁴⁷ Calculations in U.S. Census Bureau, American Community Survey data for California for 2012 show that adults ages 30 to 40 without a high school degree were 6.19 times as likely to be poor as college graduates, high school graduates were 3.46 times as likely to be poor as college graduates, and individuals

⁴³ Eckenrode, J., B. Canzel, C. Henderson, E. Smith, D. Olds, J. Powers, R. Cole, H. Kitzman, and K. Sidora. 2000. "Preventing child abuse and neglect with a program of nurse home visitation." *Journal of the American Medical Association* 284(11), 1385-1391; Eckenrode, J., M. Campa, D.W. Luckey, C.R. Henderson, R. Cole, H. Kitzman, E. Anson, K. Sidora-Arcoleo, J. Powers, and D. Olds. 2010. "Long-term effects of prenatal and infancy nurse home visitation on the life course of youths: 19-year follow-up of a randomized trial." *Archives of Pediatrics & Adolescent Medicine*, 164(1), 9-15; Miller, T., D. Olds, M. Knudtson, D. Luckey, J. Bondy, A. Stevenson. 2011. "Return on investment: Nurse and paraprofessional home visitation, Denver." <https://www.ncjrs.gov/pdffiles1/ojdp/grants/233277.pdf>.

⁴⁴ Washington State Institute for Public Policy. 2014. "Benefit-cost results: Nurse Family Partnership for low-income families." <http://www.wsipp.wa.gov/BenefitCost/Program/35>; Eckenrode, J., B. Canzel, C. Henderson, E. Smith, D. Olds, J. Powers, R. Cole, H. Kitzman, and K. Sidora. 2000. "Preventing child abuse and neglect with a program of nurse home visitation." *JAMA*, 284(11), 1385-1391; Eckenrode, J., M. Campa, D.W. Luckey, C. R. Henderson, R. Cole, H. Kitzman, E. Anson, K. Sidora-Arcoleo, J. Powers, and D. Olds. (2010). Long-term effects of prenatal and infancy nurse home visitation on the life course of youths: 19-year follow-up of a randomized trial. *Archives of Pediatrics & Adolescent Medicine*, 164(1), 9-15; Miller, T., D. Olds, M. Knudtson, D. Luckey, J. Bondy, and A. Stevenson. 2011. "Return on investment: Nurse and paraprofessional home visitation, Denver." <https://www.ncjrs.gov/pdffiles1/ojdp/grants/233277.pdf>.

⁴⁵ See, for example, Duncan, G., K. Ziol-Guest, and A. Kalil. (2010). "Early-childhood poverty and adult attainment, behavior, and health." *Child Development*, 81(1): 306-325.

⁴⁶ Washington State Institute for Public Policy (WSIPP) (2014e). Benefit-cost results: Model early childhood education programs. Retrieved from <http://www.wsipp.wa.gov/BenefitCost/Program/271>.

⁴⁷ Pamela A. Morris, Lisa A. Gennetian, and Greg J. Duncan, "Effects of Welfare and Employment Policies on Young Children: New Findings on Policy Experiments Conducted in the Early 1990s," *Social Policy Report*, vol. 19, no. 2 (2005), pp. 3-17, <http://www.srcd.org/sites/default/files/documents/spr19-2.pdf>.

with some college were 2.33 times as likely to be poor as college graduates. Furthermore, data from the U.S. Bureau of Labor Statistics for 2017 show that individuals with less than a high school degree had median weekly earnings of only \$520, while those with a high school degree had earnings of \$712, those with some college but no degree had earnings of \$774, those with an associate's degree had earnings of \$836, and those with a bachelor's degree had earnings of \$1,173.⁴⁸

The combined impacts of the Task Force recommendations will be substantial. When there is full take-up of the targeted child tax credit, the deep poverty rate for California's children—currently 4.8 percent—will drop to zero and California will become the first state to completely eliminate deep poverty among children. By budgeting substantial funds for disseminating information about the new targeted child tax credit, it should be possible to drive down the deep poverty rate swiftly.

The second-generation effects of the Task Force recommendations will also be sizable. Because cash and near-cash investments in low-income families improve the labor force outcomes of children growing up in these families, they do not just eliminate deep poverty in the first generation but also reduce it substantially in the second generation. Model simulations by the Stanford Center on Poverty and Inequality reveal that the Task Force's recommendations for cash and near-cash payments (for example, targeted child tax credit, CalWORKs grant increases, expansion of the EITC, increase in CalFresh grants) will reduce by 46 percent the number of children born into deep poverty who then end up in deep poverty as adults.⁴⁹ This means that far

⁴⁸ Elka Torpey, "Measuring the value of education," *Career Outlook*, U.S. Bureau of Labor Statistics, April 2018. <https://www.bls.gov/careeroutlook/2018/data-on-display/education-pays.htm>

⁴⁹ This simulation is based on families with children 0-4 years old appearing in the 2016 American Community Survey (ACS). It is assumed for the purpose of the simulation that all of these children remained alive and in California through early adulthood. The intergenerational mobility copula in Chetty et al. (2014) is then used to convert the income of the child's family of origin into an expected family income and poverty status for the child when she or he is an adult. The destination percentiles in this copula are mapped onto income levels using the income distribution for 30-39 year olds in the 2016 ACS. The resulting calculation provides an estimate of future income and poverty levels under the assumption that current anti-poverty programs remain unchanged. Because it is not possible to know the child's future county of residence, marital status, or family size, all estimates of future poverty levels are based on the median CPM poverty threshold for 30-39 year olds in California (again using the 2016 ACS). The objective of the simulation is of course to compare the preceding estimate of income under current arrangements to an estimate of income that is expected when the child's parents are provided the cash and near-cash benefits recommended by the task force (that is, the Targeted Child Tax Credit, the CalWORKs reforms, the EITC reforms, and the CalFresh reform). In carrying out this next step, our estimates of the total value of benefits for each family were approximate, given that (a) eligibility conditions could not always be represented exactly, and (b) there is a complicating disjuncture between the "tax unit" (which is the basis of tax filing) and the "poverty unit" (which is the basis of poverty calculations). After these estimates of additional program income (for the family of origin) were secured, the additional expected income of the child (when approximately 35 years old) was calculated by applying the program payoff multiplier estimated by Duncan et al. (2010). For some of our calculations, we also included an additional income payoff to children exposed to preschool, using the estimates in Tables 4 and 6 of Heckman et al. (2009). The foregoing calculations are of course based on many assumptions. Although most of these are apparent from the description provided above, some of the less obvious complications are that (a) the Chetty et al. (2014) matrix was applied to all sources of family income (whereas the data used to estimate the Chetty et al. (2014) matrix did not include all program income), (b) the Duncan et al. (2010) multiplier was used to estimate the payoff to near-cash as well as cash benefits (even though it may be more appropriately applied to cash benefits alone), (c) the multiplier was applied to income levels that may be in excess of the levels to which they properly apply (given the caveats laid out in Duncan et al. (2010)), and (d) the payoff to preschool was assumed to be additive (after taking into account the income calculated under the Duncan et al. (2010) multiplier).

less cash and near-cash payments will be needed to eliminate deep poverty within that second generation. It is in this very important sense that first-generation cash and near-cash payments have an enduring and foundational effect.

These proposals will also increase the future adult income of children in California. According to the same simulations, a child born into poverty who then experiences the full complement of cash and near-cash proposals (for a full 18 years) can expect, as an adult, an extra annual income of \$10,833. This implies that a total expenditure of approximately \$35,965 in cash and near-cash programs over the first 18 years of that child's life is parlayed into an additional lifetime income of approximately \$435,320.

The foregoing estimates pertain to the cash and near-cash part of our proposals. Regarding non-cash supports, in 2015 the Center estimated the impacts of expansions in home visiting, child care and preschool, employment training, and other programs currently recommended by the Task Force. The estimates were based on statistical relationships that have been found in the literature between participation in these individual programs and various near-term benchmarks (such as parental income, test scores, juvenile arrests, and high school graduation rates), which in turn are considered good predictors of long-term poverty outcomes, such as educational attainment and adult earnings. The combined impacts of these programs ranged from a one-sixth to one-third reduction in future adult poverty (with the difference related to differing impacts found in the literature related to the future impacts of pre-school programs). The impacts would be significantly greater when the cash and near-cash supports are layered in and the synergistic effects of a coordinated, focused, and continuous set of services are considered.

Reductions in poverty of this magnitude would have major positive economic and fiscal impacts. A larger, better educated, better trained, and healthier workforce translates into more productivity, more jobs, and a stronger economy. Using the Urban Institute estimates of lost economic output due to poverty today (discussed above), even a one-third reduction in poverty implies potential economic gains of tens of billions of dollars annually to the economy. The Center's simulation of the future adult earnings effects of cash and near-cash programs, discussed above, implies a similarly large payoff in terms of income expansion. The corresponding increase in state and local tax revenues would be in the low billions of dollars per year.

Regarding future fiscal impacts, factors other than childhood poverty obviously have impacts on state and local health, social service, and justice programs. For example, many adults that had experienced no childhood poverty end up in the criminal justice system, or enroll in public assistance programs due to such factors as failing health, disabilities, or extended job losses from recessions. However, even allowing for the influences of these other factors, a major reduction in the child poverty rate will almost certainly translate into a substantial decline in spending on social and justice related programs in the future. Using conservative assumptions

See Chetty, Raj, Nathaniel Hendren, Patrick Kline, and Emmanuel Saez. 2014. "Where is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States." *The Quarterly Journal of Economics* 129: 4, pp. 1553-1623; Duncan, Greg J., Kathleen M. Ziol-Guest, and Ariel Kalil. 2010. *Child Development* 81:1, pp. 306-325; Heckman, James, Seong Hyeok Moon, Rodrigo Pinto, Peter Savelyev, and Adam Yavitz. 2009. "A Reanalysis of the High/Scope Perry Preschool Program." University of Chicago Working Paper.

about the relationship between poverty rates and caseloads in these programs, a one-third reduction in poverty would produce caseload related savings exceeding \$10 billion per year.

In summary, the future savings in health, social service, and justice programs, in combination with the positive economic and tax impacts discussed above would result in a total benefit to state and local governments exceeding \$12 billion per year.

Additional Considerations. There are several major areas in which the Task Force consciously has not developed recommendations, but which are mentioned here to complete the landscape of the policies and programs affecting poverty in California—some of which are in the purview of the incoming administration and legislature, and others that are not:

1. Federal programs: Our recommendations assume that major federal programs such as Medicaid (inclusive of California's expansion of Medi-Cal enabled by the Affordable Care Act), Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), Child Welfare's Title IV-E, Women, Infants, and Children (WIC), Workforce Innovation and Investment Act (WIOA), Section 8, and the Child Care and Development Block Grant (CCDBG) remain largely unchanged. These are substantial investments in the existing social safety net.
2. Federal policies towards immigrants: As a minority-majority state, the climate created by actual, proposed, and rumored policies towards immigrants will have a consequence in terms of how poor children and families in those communities are served, and their willingness to be served. Success in achieving poverty reduction goals depends on the ability to reach children and families living in poverty, and particularly those groups disproportionately represented in poverty status.
3. State tax policies: The Task Force did not consider possible changes in state tax policies, outside of Income Tax Credits, but is mindful that policymakers make resource allocation decisions within the context of having a state budget with balancing revenues and expenditures. Given the investments required to reduce or eliminate poverty for over 10 million Californians, stable and increasing actions and resources are integral to successfully achieving poverty goals.
4. K-12: The overall functioning of K-12 education is fundamental to opportunities available to all children in our state. The K-12 system is subject to oversight and guidance by the State Board of Education, and so our recommendations in the education area focus only on supports needed by the most disadvantaged children, not on issues of overall school financing nor accountability for student and family outcomes. It is worth noting, however, that the alignment of education and skills with opportunities in the job market is critical, and we encourage all levels and sectors of government to collaborate in this alignment.
5. Despite a very strong focus on the role of housing costs being the primary accelerator of California's poverty rate, the Task Force does not directly address the issue of financing new affordable housing stock. This is in expectation of the implementation of recently voter approved \$6 billion in affordable housing bonds. In addition to additional state funding for housing, local land use decisions, tax policy, available workforce, market forces, and rules and regulations all impact the availability of housing and thus its price, and collaboration across all sectors is necessary to increase the supply of housing.

Finally, ending deep child poverty and reducing overall child poverty in California simply is not free. The Task Force has made its best effort to provide proven, data-supported solutions for government actions to achieve these goals. But these actions simply will not, and cannot, be accomplished without additional sustained investments in poverty reduction at the levels indicated in this report.

IV. Policy Recommendations and Performance Indicators

Recommendations for immediate impacts on deep poverty and breaking the cycle of poverty

In this section, the recommendations from each policy domain are presented. Each recommendation has information about the target population, estimated cost, and rationale and research evidence for the approach. Under the priority recommendations, labeled as “immediate” or “foundational,” the non-priority recommendations are listed to provide a comprehensive set of policy and/or program changes in a given policy domain (and are labeled as “comprehensive”).

Social safety net

California has an extensive safety net for the state’s neediest residents who live in poverty. Since 2012, the General Fund has newly committed more than \$20 billion annually in poverty-focused programs (see Exhibit 7). In addition to full implementation of the K-12 Local Control Funding Formula—which heavily emphasizes services to the state’s neediest students—the 2018-19 Budget increases funding for programs designed to counteract poverty, focusing new efforts in CalWORKs and child care. In total, the 2018-19 Budget included:

- The rising state minimum wage, which increased to \$11 per hour in 2018 and is scheduled to eventually rise to \$15 per hour.
- The expansion of health care coverage under the federal Affordable Care Act, which provides millions of Californians with coverage, and expansion of full medical coverage to about 200,000 undocumented children.
- The restoration of various health benefits to low-income Californians that were eliminated during the recession, including adult dental services.
- The continuance of the state's Earned Income Tax Credit, which was created in 2015, and enhanced and expanded in 2017 and 2018.
- The increase in CalWORKs grants and the repeal of the maximum family grant rule, which denied aid to children who were born while their parents were receiving aid.
- The elimination of the SSI/SSP “cash out” policy expanding federal funding for food assistance to approximately 370,000 households, while holding harmless households potentially affected by the change.
- The increases in child care and early education provider rates and the number of children served, totaling \$1.3 billion.

Exhibit 6. Targeting reduction of deep child poverty



Exhibit 7. Figure INT-07: Major ongoing poverty-focused budget actions since 2012

Figure INT-07
Major Ongoing Poverty-Focused Budget Actions Since 2012

Minimum Wage	Total Budget Impact
<ul style="list-style-type: none"> Increase from \$8/hour to \$10/hour Increase from \$10/hour to \$15/hour and extend paid sick leave 	\$173.3 million \$3.5 billion
Medi-Cal	
<ul style="list-style-type: none"> Optional expansion under Affordable Care Act Exemptions from provider cuts Adult dental restoration Full Scope Services for undocumented children Estate recovery limitations Drug Medi-Cal Organized Delivery System Waiver¹ 	\$2.6 billion \$213.8 million \$287.4 million \$290.8 million \$19.5 million \$153.8 million
CalWORKs	
<ul style="list-style-type: none"> 21.4 percent in cost-of-living increases² Repeal Maximum Family Grant Rule² Enhanced employment and early engagement services Expansion of designated housing assistance Elimination of once-in-a-lifetime restriction on homelessness assistance Increase homelessness assistance daily rate from \$65 to \$85 Diaper assistance 	\$638.8 million \$223.5 million \$285.4 million \$95 million \$37 million \$15.3 million \$19.8 million
CalFresh	
<ul style="list-style-type: none"> Work Incentive Nutritional Supplement SSI Cash-Out Reversal (excludes one-time hold harmless benefits) State Utility Assistance Subsidy 	\$29 million \$22.3 million \$11.1 million
SSI/SSP	
<ul style="list-style-type: none"> 2.76 percent cost-of-living increase 	\$73 million
In-Home Supportive Services	
<ul style="list-style-type: none"> Overtime Restoration of 7 percent of hours 	\$311.5 million \$311.7 million
Earned Income Tax Credit	
<ul style="list-style-type: none"> Creation and expansion of California credit (includes administrative and outreach costs) 	\$445.9 million
Child Care	
<ul style="list-style-type: none"> Various increases to rates and slots 	\$700 million
Cal Grants	
<ul style="list-style-type: none"> Various augmentations and restorations 	\$183.7 million
Proposition 98	
<ul style="list-style-type: none"> Local Control Funding Formula—Supplemental and concentration grants for low-income and English Learner students State Preschool—various increases to rates and slots and minimum wage costs Community College Student Equity funding increases Community College Student Success Completion Grant 	\$9.9 billion \$599.5 million \$165 million \$131.8 million
Total:	\$21.4 billion (\$10.7 billion Prop 98, \$10.3 billion General Fund, \$0.4 billion Local Realignment Fund)
Note: Fiscal estimates reflect fully implemented costs. ¹ Portions of the total costs are reflected under ACA optional expansion and existing Drug Medi-Cal base services. ² Funded by General Fund and 1991-92 State-Local Realignment Revenues.	

Source: Enacted Budget Summary, 2018-19 <http://www.ebudget.ca.gov/>

The Social Safety Net subcommittee considered multiple policies and programs in designing the recommendations: Medi-Cal, CalFresh, CalWORKs, Social Security, SSI, SSP, SSDI (Disability), SDI, SNAP, WIC, EITC, and other proposals or approaches for income support or child support. The priority recommendations presented below focus on putting more dollars in the hands of families in poverty: expanding CalEITC, establishing a Targeted Child Tax Credit (TCTC), and increasing CalWORKs grants. The TCTC targeted credit is designed to end deep poverty in California as measured by California Poverty Measure (CPM). The use of the CPM is significant here because the measure explicitly takes into account the rental costs faced by households in local regions throughout the state. Because the TCTC is based on CPM, it in effect acts the same way as a rental subsidy for those in deep poverty partly because of higher rental costs.

In fact, the Task Force considered shallow rental subsidies for families with children in deep poverty, but decided to recommend this credit instead because it is more targeted and cost effective. However, because those seeking the credit must file a tax return, it would be important that outreach and related strategies be developed to maximize tax return filings and credit claims by eligible families. If a low claiming rate proves to be an insurmountable problem, the shallow rental subsidy is a viable (though less cost-efficient) alternative.

Exhibit 8. Social safety net recommendations

Recommendation	Tier	Target population	Potential cost
1. Expand state EITC by raising credit for those with limited earnings.	Immediate	Primarily families in poverty and deep poverty.	About \$160 million annually (state funds) to further support work participation by adults with children.
<p>Description: Expand the CalEITC amount to increase work support for very low-income families.</p> <p>Evidence: The EITC may help reduce family poverty by as much as one-tenth and childhood poverty by as much as one-fourth among families who receive it.⁵⁰ However, current estimates may be underestimated by up to 50% because they fail to account for the induced earnings effects. Accounting for the fact that the EITC nudges single mothers to increase their work activity, a \$1,000 increase in the EITC is estimated to reduce the share of families living in poverty (after tax and transfer) by about 8 percentage points.⁵¹ The proposed expansion raising the credit on first dollars earned, in recognition of the challenges, expenses, and instabilities faced those first starting to work.</p>			
2. Establish a targeted child tax credit (TCTC) for families in deep poverty (distributed monthly).	Immediate	Families with children in deep poverty.	\$2.8 billion annually (state funds) when fully phased in.

⁵⁰ Holt, Steve. (2006). The Earned Income Tax Credit at Age 30: What We Know. Washington DC: The Brookings Institution. Retrieved from https://www.brookings.edu/wp-content/uploads/2016/06/20060209_Holt.pdf on April 24, 2018.

⁵¹ Hoynes, Hilary, and Ankur Patel. (2018). Effective Policy for Reducing Inequality? The Earned Income Tax Credit and the Distribution of Income. *Journal of Human Resources*.

Recommendation	Tier	Target population	Potential cost
<p>Description: The credit would be targeted at families with earnings and benefits from other programs totaling less than one-half CPM for their area of residence. Eligibility and calculation of the credit size would be based on verifiable information provided to the California Franchise Board. Eligibility would be primarily based on income and other eligibility criteria established for the prior calendar year, and payments of the credit would be made monthly. The credit would also have an EITC-disregard (state and federal), an income-disregard and related phase-out provision aimed at supporting low-income families' efforts to gain employment and increase earnings. Finally, the Task Force recommends that the credit be based primarily on prior year earnings and that it be paid out monthly. According to estimates developed by the Stanford Center for Poverty and Inequality, about 220,000 families in deep poverty would be eligible for this credit, and if fully claimed, the credit would end deep poverty in California. The credit would help families that because of citizenship status and other factors, are wholly or partly disconnected from existing public assistance programs. In fact, according to the Center, about 110,000 of the families eligible for this credit currently receive no benefits from CalWORKs or the EITC.</p> <p>Evidence: Research strongly indicates that even relatively modest increases in family income, particularly for children in the poorest families, provide both <u>immediate</u> benefits, in terms of food security and housing stability, and <u>future</u> benefits, in terms of improvements in the child's health, behavior, educational attainment, and, ultimately, adult earnings.⁵²</p>			
3. Increase CalWORKs grant amounts to end deep poverty within CalWORKs.	Immediate	Primary impact on families in deep poverty.	\$1.2 billion annually relative to current grant levels. (Increases are consistent with intent language in AB 1811, which would raise grants for each participating household to 50% of the FPL for a one-size larger family.
<p>Description: Increase CalWORKs grants targeting deep poverty within CalWORKs. Currently, CalWORKs grant levels are below the threshold for deep child poverty (50% of the FPL). Increasing the grant amount for CalWORKs families 50% of the FPL (for a one-size larger family unit) would help alleviate deep child poverty in the state.</p> <p>Evidence: Researchers found the growth in the number of families living in extreme poverty took place among the groups most affected by welfare reform. As fewer families received TANF, the number of families living in deep poverty rose.⁵³</p>			
4. Align CalWORKs time limits for supportive services with federal limits.	Comprehensive	Children and families in deep poverty.	\$70 in state funds annually
<p>Description: Align CalWORKs time limits for supportive services with the federal 60-month time limit. Currently, California imposes a 48-month time limit on CalWORKs assistance for adults. Time limit for cash grants would remain at 48 months but supportive services would be allowed to continue for families in need for up to one year after timing off.</p> <p>Evidence: Research has consistently found that adults on TANF face several barriers to employment, including care responsibilities for young children (some with special needs), low education levels, and limited work histories.⁵⁴ For these individuals, quality child care, workforce development, and other support services are critical to their successful transition into the workforce. Those that have timed off of CalWORKs cash grants often face the greatest barriers to employment and hence have a critical need for continued support services.</p>			

⁵² Kerris Cooper, and Kitty Stewart. Does Money Affect Children's Outcomes? A Systematic Review (York, GB: JosephRowntree Foundation, 2013).

⁵³ Shaefer, H. Luke, and Kathryn Edin. (2012). Extreme Poverty in the United States, 1996 to 2011. National Poverty Center Policy Brief #28, February 2012, retrieved from http://npc.umich.edu/publications/policy_briefs/brief28/policybrief28.pdf.

⁵⁴ Heather Hahn, Gina Adams, Shayne Spalding, and Caroline Heller. "Supporting the Child Care and Workforce Development Needs of TANF Families." Urban Institute. April 2016.

Recommendation	Tier	Target population	Potential cost
5. Fund summer lunch program and develop EBT pilot.	Comprehensive	Children and families in deep poverty.	Depends on size of pilot: \$120 per child per summer; hence a pilot covering 100,000 children would cost \$12 million annually.
<p>Description: Fund summer lunch in libraries and develop an Electronic Benefit Transfer (EBT) pilot to distribute a monthly benefit during the summer on SNAP or WIC EBT cards to children eligible for free or reduced-price school meals.</p> <p>Evidence: Children who receive free or reduced-price lunch during the school year have higher food insufficient rates in the summer. Providing summer nutrition programs can greatly reduce the number of children who are food insecure.⁵⁵</p>			
6. Expand usage of Community Eligibility Provision in California school meals.	Comprehensive	Primarily children and families in poverty and deep poverty, though could benefit others without regard to poverty status.	\$100 million in state funds annually.
<p>Description: Build on a state/federal program already in place, the community eligibility provision (CEP), in which schools dispense with applications for free or reduced-price meals and instead cover all students in schools based on an approved federal reimbursement formula. Currently California implements the CEP in high poverty schools where the costs are largely covered by federal funds. This proposal would expand this to more schools and provide state funds to offset district costs in cases where federal funds do not fully cover meal expenses.</p> <p>Evidence: Approaches such as community eligibility aim to increase access to school meals for low-income children. In Illinois, Kentucky, and Michigan, schools that participated in community eligibility for two years increased average daily participation in the National School Lunch Program by 13% and average daily participation in the School Breakfast Program by 25%.⁵⁶</p>			
7. Increase SNAP benefit by \$30 per month for families with children age 0-5.	Comprehensive	Primarily children and families in deep poverty.	\$342 million in state costs annually.
<p>Description: Increase the SNAP benefit amount for families with children age 0-5 and pregnant women. SNAP benefits often run out before the end of the month, which can leave families with limited access to nutritious foods.</p> <p>Evidence: Research has revealed that SNAP has a profound impact on children's health and well-being throughout their lifespan.⁵⁷</p>			

⁵⁵ Orovecz, K., E. Pincus, N. Todd, and M. Welch. Summer nutrition program social impact analysis. Deloitte. <http://bestpractices.nokidhungry.org/sites/default/files/download-resource/Summer%20Nutrition%20Program%20Social%20Impact%20Analysis.pdf>

⁵⁶ Center on Budget and Policy Priorities & Food Research and Action Center. Community Eligibility: Making High-Poverty Schools Hunger Free (Oct. 1, 2013). <https://www.cbpp.org/research/community-eligibility-making-high-poverty-schools-hunger-free>.

⁵⁷ Almond, Douglas, Hilary W. Hoynes, and Diane Whitmore Schanzenbach. (2011). The Review of Economics and Statistics, *MIT Press*, 93(2), 387-403, December; East, Chole N. (2016). The Effect of Food Stamps on Children's Health: Evidence from Immigrants' Changing Eligibility. Denver, CO: The University of Denver. Retrieved from <http://www.sole-jole.org/17153.pdf>; Hoynes, H.W., D.W. Schanzenbach, and D. Almond. (2016). Long-Run Impacts of Childhood Access to the Safety Net. *American Economic Review*, 106(4), 903-34.; Bailey, Martha, Hilary Hoynes, Maya Rossin-Slater, and Reed Walker. (Forthcoming). Evaluating the Long-Term Economic Benefits of Food Stamps.

Recommendation	Tier	Target population	Potential cost
8. Prevent SNAP sanctions for families with children age 0-5.	Comprehensive	Primarily children and families in deep poverty.	Total costs of \$6 million annually. Most expenditures likely from federal funds but potential for moderate state costs in initial years.
<p>Description: Prevent SNAP sanctions for families with children 0-5 and pregnant women. Currently, CalFresh (California's SNAP program) imposes concurrent sanctions when a family fails to comply with the Welfare-to-Work (WTW) requirements for CalWORKs, causing families to lose their CalWORKs and CalFresh benefits simultaneously.</p> <p>Evidence: Research has revealed that SNAP has a profound impact on children's health and well-being throughout their lifespan.⁵⁸</p>			

⁵⁸ Almond, Douglas, Hilary W. Hoynes, and Diane Whitmore Schanzenbach. (2011). The Review of Economics and Statistics, *MIT Press*, 93(2), 387-403, December; East, Chole N. (2016). The Effect of Food Stamps on Children's Health: Evidence from Immigrants' Changing Eligibility. Denver, CO: The University of Denver. Retrieved from <http://www.sole-jole.org/17153.pdf>; Hoynes, H.W., D.W. Schanzenbach, and D. Almond. (2016). Long-Run Impacts of Childhood Access to the Safety Net. *American Economic Review*, 106(4), 903-34.; Bailey, Martha, Hilary Hoynes, Maya Rossin-Slater, and Reed Walker. (Forthcoming). Evaluating the Long-Term Economic Benefits of Food Stamps.

Early childhood

Early childhood experiences are crucially important, requiring the availability of maternal and child health care, income and other basic supports, good parenting by birth parents or alternative caregivers, and child development in and out of the home. High quality early care and education benefit young children and may especially help children whose families have low incomes. The benefits include short-term improvements in children's readiness for school and their well-being, which take the form of enhanced social skills, fewer behavior problems, and improved language, reading, and math skills. Longitudinal studies demonstrate that the benefits can last into adulthood, leading the child to pursue more years of education and achieve higher earnings.⁵⁹ Providing subsidies to support access to early childhood education and support parents' employment and education is a pathway toward self-sufficiency and out of poverty.

During the economic downturn, state child care and early education programs experienced significant cuts, with reductions of almost \$1 billion in funding. However, since 2013, the state has increased funding by \$700 million non-Proposition 98 General Fund and \$600 million Proposition 98⁶⁰ General Fund. These investments have improved services by:

- **Increasing Provider Reimbursement Rates**—The state updated child care provider reimbursement rates to pay child care providers that accept vouchers rates that reflect the current cost of care. Prior to these rate increases (which began in 2014), providers received reimbursement rates that were based on the cost of care in 2005. The state also increased the rates of providers that contract directly with the Department of Education by more than 26 percent.
- **Expanding Access for Families**—From 2013 to 2018, the state added more than 58,000 subsidized child care and early education slots. The state also increased income eligibility ceilings for families receiving child care subsidies, both for initial and continuing eligibility determinations. For families with inconsistent incomes or work schedules, the state reduced the frequency of eligibility redeterminations from several times a year to annually.
- **In addition, in 2012, California districts launched the transitional kindergarten program, a new educational opportunity for the youngest kindergartners. The new program uses a**

⁵⁹ Burchinal, Margaret, Nathan Vandergrift, Robert Pianta, and Andrew Mashburn. "Threshold Analysis of Association Between Child Care Quality and Child Outcomes for Low-Income Children in Pre-Kindergarten Programs." *Early Childhood Research Quarterly*, vol. 25, issue 2, pp. 166-176, 2010; Burchinal, P., M. Zaslow, and L. Tarullo. "Quality Thresholds, Features, and Dosage in Early Care and Education: Secondary Data Analyses of Child Outcomes." (Issue Editors). Monographs of the Society for Research in Child Development, vol. 81, issue 2, pp. 1-128, 2016; Campbell, Frances A., Craig T. Ramey, Elizabeth Pungello, Joseph Sparling, and Shari Miller-Johnson. "Early Childhood Education: Young Adult Outcomes from the Abecedarian Project." *Applied Developmental Science*, vol. 6, no. 1, pp. 42-57, 2002; Schweinhart, Lawrence J., Jeanne Montie, Zongping Xiang, W. Steven Barnett, Clive R. Belfield, and Milagros Nores. "Lifetime Effects: The High/Scope Perry Preschool Study Through Age 40." Monographs of the High/Scope Educational Research Foundation, 14. Ypsilanti, MI: High Scope Educational Research Foundation, 2005; Vandell, Deborah Lowe, Jay Belsky, Margaret Burchinal, Laurence Steinberg, and Nathan Vandergrift. "Do Effects of Early Child Care Extend to Age 15 Years? Results from the NICHD Study of Early Child Care and Youth Development." *Child Development*, vol. 81, no. 3, pp. 737-756, 2010

⁶⁰ Proposition 98, approved by the voters in 1988, provides a constitutionally guaranteed minimum level of funding to K-12 schools and community colleges (K-14 education).

modified kindergarten curriculum and provides an additional year of support for young learners.

- Finally, the state increased State Preschool income eligibility ceilings for children with disabilities to improve inclusivity in that program. Reducing Costs for Families—In 2014, the state eliminated fees for families participating in part-day State Preschool. In addition, by increasing income eligibility ceilings for families (described above), the state also increased the number of families exempt from paying fees in all state child care programs.
- Improving the Quality of Care—To increase the quality of subsidized child care, in 2014-15 and 2015-16 the state provided: (1) \$50 million ongoing Proposition 98 General Fund for local block grants for State Preschool quality improvement; (2) \$24.2 million one-time non-Proposition 98 General Fund for local block grants for quality improvement in infant and toddler care; (3) \$10 million one-time Proposition 98 General Fund to provide loans for State Preschool facility expansion; and (4) \$25 million one-time Proposition 98 General Fund for State Preschool and transitional kindergarten teacher training. From 2011-12 to 2015-16, the state also invested \$75 million one-time federal Race to the Top—Early Learning Challenge funds into the creation of a state/local quality rating and improvement system for child care providers. Further, to verify that transitional kindergarten teachers are appropriately trained to provide instruction for four-year-olds, in 2014-15 the state increased the educational requirements for transitional kindergarten teachers to include 24 units of early childhood education.
- In 2018-19 the state increased the frequency of inspections for licensed child care providers from once every three years to annual.

Included in these investments are augmentations in the Budget that increase provider reimbursement rates and expand access for families. Specifically, the 2018-19 Budget made the final augmentations associated with the multi-year funding agreement adopted as part of the 2016 Budget by increasing the reimbursement rate for providers that contract directly with the Department of Education by approximately 2.8 percent, and making permanent a temporary hold harmless provision to the 2016 Regional Market Reimbursement Rate Survey for providers accepting vouchers. Additionally, the Budget increases the reimbursement rate adjustment factors for child care providers serving infants, toddlers, children with exceptional needs, and severely disabled children. The 2018-19 Budget also provided the final of three scheduled 2,959 full-day slot increases to the State Preschool program, totaling 8,877 slots over three years, and increases the number of available child care vouchers by 13,407. Overall, the Budget includes approximately \$1 billion in new child care investments for 2018-19 and 2019-20.

- Finally, the 2018-19 Budget created the Inclusive Early Education Expansion Program, providing \$167.2 million one-time Proposition 98 General Fund through a competitive grant program to increase the availability of inclusive early education and care for children aged zero to five years old, especially in low-income areas and in areas with relatively low access to care. Grant recipients will commit that all children benefiting from grant funds, especially those with disabilities, have access to appropriate settings that support their educational and developmental growth.

Source for Section: Enacted Budget Summary, 2018-19 <http://www.ebudget.ca.gov/>

Exhibit 9. Subsidized child care and development programs – Increases to the standard reimbursement rate

	2014-15	2017-18	(starting January 1, 2019) 2018-19	Increase Since 2014-15	Increase Since 2017-18
Center-Based					
Infants	\$15,343	\$19,312	\$29,268	91%	52%
Toddlers	\$12,635	\$15,904	\$21,591	71%	36%
State Preschool					
<i>Full-Day</i>	\$9,025	\$11,433	\$12,070	34%	6%
<i>Part-Day</i>	\$3,899	\$4,956	\$5,233	34%	6%
School Age	\$9,025	\$11,360	\$11,995	33%	6%
Family Child Care Homes					
Infants	\$12,635	\$15,904	\$29,268	132%	84%
Toddlers	\$12,635	\$15,904	\$21,591	71%	36%
Preschool	\$9,025	\$11,360	\$11,995	33%	6%
School Age	\$9,025	\$11,360	\$11,995	33%	6%
Other Categories					
Exceptional Needs	\$10,830	\$13,632	\$18,472	71%	36%
Severely Handicapped	\$13,538	\$17,040	\$23,150	71%	36%
Limited or Non-English Proficient	\$9,928	\$12,496	\$13,195	33%	6%
Children at Risk of Abuse or Neglect	\$9,928	\$12,496	\$13,195	33%	6%

Exhibit 10. Subsidized child care and development programs -Average regional market reimbursement rate increases

	Jan 2015- Sep 2015	Oct 2015- Dec 2016	Jan 2017- Dec 2017	Jan 2018- present	Increase Since Jan 2015
Center					
Infants	\$18,996	\$20,087	\$21,087	\$22,314	17%
Preschoolers	\$14,775	\$15,545	\$16,337	\$16,751	13%
School-Aged Children	\$10,459	\$11,029	\$11,830	\$13,441	29%
Family Child Care Homes					
Infants	\$11,261	\$11,778	\$13,489	\$14,177	26%
Preschoolers	\$10,518	\$11,059	\$12,285	\$13,037	24%
School-Aged Children	\$9,015	\$9,479	\$10,082	\$10,374	15%
License-Exempt					
Infants	\$6,736	\$7,559	\$9,249	\$9,651	43%
Preschoolers	\$6,282	\$7,102	\$8,468	\$8,955	43%
School-Aged Children	\$5,461	\$6,196	\$7,057	\$7,264	33%
Notes: All rates reflect full-time, full-year care. Averages are weighted by the number of children in CDE-subsidized programs receiving early learning and care in each setting and county.					
Estimates assume half of children reimbursed at weekly rate and half at monthly rate. Rates include cost of administering programs by Alternative Payment agencies.					

Source: California Department of Education, Early Learning and Care Division

The Early Childhood subcommittee considered subsidized child care, California state preschool, Alternative Payment Program, Head Start, Early Head Start, and other relevant policies and programs in generating the recommendations in Exhibit 11. Building off of recent investments in the Paid Family Leave program that have been focused on increasing wage replacement benefits and eliminating the one-week waiting period for Paid Family Leave claims, the subcommittee also recommends 100 percent wage replacement for low-wage workers during the first six weeks of parental leave.

Exhibit 11. Early childhood recommendations

Recommendation	Tier	Target population	Potential cost
1. Raise parental leave wage replacement rates to 100% for low-income workers.	Immediate	Primary impact on children and families in poverty and deep poverty. Also those at risk of poverty.	\$300 million in additional costs annually. Initial funding would come from balance in SDI fund. Eventually, added costs may trigger a modest increase in the SDI employee payroll withholding rate, or need to be covered by the General Fund.
<p>Description: Increase wage replacement to 100% for low-wage workers, with the goal of increasing utilization of paid leave policies to ensure low-wage working families have economic supports during their infant's earliest weeks.</p> <p>Evidence: Parental leave expansions are associated with increased leave-taking by both mothers and fathers. Increases in leave length are larger for college-educated or married mothers than for less-educated or single mothers.⁶¹ Paid parental leave is also associated with increases in women's employment.⁶²</p>			
2. Guarantee that children living in poverty have access to child care/early learning subsidies.	Immediate/Foundational	Children and families in poverty and deep poverty.	Additional state costs of \$5 billion (in today's dollars) after ten years, assuming an expansion of about 200,000 slots for children 0-5 years of age over the next decade. Eventual cost of full expansion is potentially several billions of dollars more depending on the utilization of the subsidized child care.

⁶¹ Han, W. J., Ruhm, C., & Waldfogel, J. (2009). Parental leave policies and parents' employment and leave-taking. *Journal of Policy Analysis and Management: The Journal of the Association for Public Policy Analysis and Management*, 28(1), 29-54.

⁶² Ruhm, C. J. (1998). The economic consequences of parental leave mandates: Lessons from Europe. *The quarterly journal of economics*, 113(1), 285-317.

Recommendation	Tier	Target population	Potential cost
<p>Description: Expand existing subsidy programs to guarantee that all children 0-8 living in poverty have access to a child care/early learning subsidy or CDE contracted services. Initial expansion will focus on slots for infants and toddlers in deep poverty in settings that are consistent with low-income families' needs.</p> <p>Evidence: Research has found that access to subsidized child care and early learning has multigenerational benefits for low-income families. It provides opportunities for parents to work, thereby improving current household earnings.⁶³ In addition, the structure, interactions, and instruction provided by high quality early learning programs have positive and lasting impacts on the child's cognitive, behavioral, social, and physical development, leading to higher student achievement and other positive outcomes in the future.⁶⁴</p>			
3. Establish a tiered reimbursement structure to incentivize, reward and retain higher levels of workforce competencies necessary to expand access and achieve positive outcomes.	Foundational	Children and families in poverty and deep poverty	Full costs unknown. Above estimate for guaranteed access includes a 20% increase in rates to partially address these (and related quality improvement) costs.
<p>Description: Establish a single tiered reimbursement structure for the subsidized child care and early learning system that is tied to provider competencies, educational attainment, and professional development to incentivize the provision of higher quality services. This structure should cover the cost of ongoing quality improvement and promote equitable access to services throughout the state.</p> <p>Evidence: Research indicates improvement in wages and working conditions can have significant impacts on the quality of child care. Low wages in early childhood education impacts quality by preventing qualified and committed individual from considering working in child care or early education.⁶⁵ Low wages are also tied to high staff turnover rates, which influence children's language and socio-emotional development.⁶⁶</p>			
4. Support workforce training and improvement	Comprehensive	Focus on children and families in poverty and deep poverty but would impact other children without regard to poverty status.	Full costs unknown. Above estimate for guaranteed access includes a 20% increase in rates to partially address reimbursement and related training and quality improvement costs.

⁶³ Blau, D., and E. Tekin. "The Determinants and Consequences of Child Care Subsidy Receipt by Low-Income Families." Joint Center for Poverty Research Working Paper 213." Cambridge, MA: Joint Center for Poverty Research, 2001; Schaefer, S.A., J.L. Kreader, and A.M. Collins. "Parent Employment and the Use of Child Care Subsidies: Literature Review." 2006. Available at https://www.researchconnections.org/child_care/resources/8725/pdf; Johnson-Staub, C., and H. Matthews. "CCDBG: A Critical Support for Working Families." Washington, DC: CLASP, 2017. Available at www.clasp.org/resources-and-publications/publication-1/CCDBG-A-Critical-Support.pdf

⁶⁴ Camilli G, Vargas S, Ryan, S, Barnett, WS. Meta-analysis of the effects of early education interventions on cognitive and social development. Teachers College Record 2010;112(3):579-620.

⁶⁵ Manlove, E. E., and J. R. Guzall (1997), "Intention to leave, anticipated reasons for leaving, and 12 Month turnover of child care centre staff", Early Childhood Research Quarterly, Vol. 12, No. 2, pp. 145-167

⁶⁶ Moon, J. and J. Burbank (2004), "The early childhood education and wage ladder; a model for improving quality in early learning and care programs", Policy Brief, Economic opportunity Institute, Seattle WA.

Recommendation	Tier	Target population	Potential cost
<p>Description: Expand access to effective training, professional development, and coaching to expand and sustain a well-trained and fairly compensated workforce and coordinated early childhood services. Training and professional development that improves early childhood education providers' competencies and knowledge should be made available to providers in all settings.</p> <p>Evidence: Children in poverty are more likely to be in settings staffed by adults with less training or educational credentials than children from middle-income families when evidence has shown that they benefit the most. Increased access to better training and coaching improves children's school readiness and academic achievement. An experimental study found that up to 2 hours of in-classroom coaching per week had a large impact on observed environment quality in just six months and impacts were particularly large on the quality of interactions between the adults and children.⁶⁷</p>			

⁶⁷ Boller, K., D. Paulsell, P. Del Grosso, R. Blair, D.Z. Kassow, R. Kim, and A. Raikes. "Impacts of a Child Care Quality Rating and Improvement System Focused on Coaching on Child Care Quality." *Early Childhood Research Quarterly*, vol. 30, part B, pp. 306-315, 2015; Aikens, Nikki, and Lauren Akers. "Background Review of Existing Literature on Coaching." Report submitted to First 5 LA. Washington, DC: Mathematica Policy Research, July 2011; National Academies of Sciences, Engineering, and Medicine. "Transforming the Financing of Early Care and Education." Washington, DC: The National Academies Press, 2018. Available at <https://doi.org/10.17226/24984>

Housing and homelessness

Housing is a cross-cutting concern for Californians in poverty, affecting their access to and decisions about healthcare, education, child care, employment and training, and other services. The state is facing a major housing shortage and the majority of California renters spend 30 percent or more of their income on housing.⁶⁸ Low-wage workers, families with children, and youth transitioning out of foster care are among the populations most severely impacted by high rents in California.⁶⁹ When rent becomes unaffordable, eviction and the loss of housing poses a wide range of short- and long-term risks and consequences for families, including homelessness, education disruptions, and poor health. Securing decent housing can be more challenging for a family following an eviction judgement.⁷⁰

For decades, California has faced a shortage of housing due to historical underproduction of adequate supply when compared to demand. Although the state has identified 180,000 units of housing needed annually to address the growing population, less than 100,000 units have been produced each year over the last eight years. In addition, only about 3 percent of homes and 11 percent of rental units in the state are affordable through legal restrictions for individuals of low to moderate income. This shortage of affordable housing units is one of the major contributing factors to the increasing homeless population in the state, which has risen to nearly 135,000 individuals, up 13.7 percent since 2016 according to data from the U.S. Department of Housing and Urban Development. Of this number, more than 91,000 are considered unsheltered—meaning their primary nighttime location was a public or private space not ordinarily used for sleeping, such as a park, vehicle, or on the street. California represents 25 percent of the nation’s homeless population.

Housing and homelessness issues are fundamentally a shared responsibility. Although housing construction in one jurisdiction may affect housing costs regionally and statewide, housing entitlements and permits are determined locality by locality. Cities are responsible for the zoning and siting of housing and counties are responsible for linking the homeless population to health and social services. Although many cities and counties have taken steps to address affordable housing and homelessness issues, efforts are often met with resistance, including community opposition, policies that increase development costs, delays in permit approvals, and challenges to financing housing for this population.

In recognition of California’s pronounced housing shortage, in 2016, the Governor signed into law the No Place Like Home Program, which funds the construction of permanent supportive housing targeted to the chronically homeless and those at risk of chronic homelessness with mental health services needs. The program is funded with up to \$2 billion in bonds secured by Mental Health Services Act (Proposition 63) revenues.

⁶⁸ California’s High Housing Costs: Causes and Consequences.” California Legislative Analyst’s Office, March 2015. <https://lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf>; US Census Bureau, 2016 American Community Survey One-Year Estimates, Table B25074.

⁶⁹ “Opening the Door For Rent Control: Toward a Comprehensive Approach to Protecting California Renters.” Nicole Montojo, Stephen Barton, and Eli Moore, Hass Institute, 2018.

⁷⁰ M. Desmond, “Eviction and the Reproduction of Urban Poverty,” *American Journal of Sociology* 118 (2012): 88–133.

In 2017, the Administration and Legislature developed a legislative package of 15 bills that collectively shorten the housing development approval process, provide incentives to streamline development, promote local accountability to adequately plan for needed housing, and invest in affordable housing production through dedicated real estate transaction fee revenues (estimated at \$258 million annually) and \$4 billion voter-approved housing bonds. In recognition of the longer time frame that these recent investments and policies require to take effect, and the immediate homelessness challenges facing local jurisdictions, the Budget includes \$609 million one-time General Fund and \$64 million ongoing General Fund (see Exhibit 12) to focus state homelessness funding on planning, prevention, and emergency aid.

Exhibit 12. Figure SWE-01: Homelessness response in the 2018-19 Budget

Figure SWE-01
Homelessness Response in the 2018-19 Budget
(Dollars in Millions)

Department	Program	2018-19	Ongoing
Homeless Coordinating and Financing Council ^{1/}	Emergency Homeless Aid Block Grants	\$500.0	-
	Council Administration	\$0.5	\$0.5
Department of Social Services	CalWORKs Housing Support Program	\$24.2	\$48.3
	CalWORKs Homeless Assistance Program	\$8.1	\$15.3
	Senior Home Safe Program	\$15.0	-
Office of Emergency Services	Domestic Violence Shelters and Services	\$10.0	-
	Homeless Youth and Exploitation Program	\$1.0	-
Department of Health Care Services	Homeless and Mental Illness Program	\$50.0	-
Total		\$608.8	\$64.1

^{1/} Housed within the Business, Consumer Services, and Housing Agency.

Planning

Given the many state resources that will be available in the coming years, the 2018-19 Budget included \$500,000 ongoing to expand the Homeless Coordinating and Financing Council and move it to the Business, Consumer Services, and Housing Agency. The Council will provide statewide guidance on homelessness issues and develop a statewide plan to support the coordination of the various state homelessness investments.

Emergency Aid

To assist local governments in addressing immediate homeless needs until additional resources become available, the 2018-19 Budget provided:

- \$500 million for a Homeless Emergency Aid program for bridge funding to assist local governments in addressing immediate homeless needs. This program provides flexible block grant funds to jurisdictions that declare a shelter crisis and commit to local coordination. Of these funds, \$350 million will be distributed through Continuums of Care and \$150 million will be distributed directly to cities with populations greater than 330,000.

- \$50 million allocated by the Department of Health Care Services to counties to provide intensive outreach, treatment, and related services for homeless persons with mental health service needs.
- \$11 million for the California Office of Emergency Services to fund programs focusing on homeless youth and victims of domestic violence.

Prevention

The 2018-19 Budget also included \$47 million in 2018-19 and \$64 million ongoing to support the safety net programs operated by the Department of Social Services to prevent homelessness, including the CalWORKs Housing Support Program, the CalWORKs Homelessness Assistance program, and \$15 million one-time for a senior homelessness prevention program.

In addition to these efforts, the state continues to invest significant resources in housing and homelessness-related programs. The state addresses housing and homelessness challenges through a variety of targeted programs across multiple state departments, including the Department of Housing and Community Development. These programs provide grants and loans to construct affordable housing, assist moderate-income households through homebuyer and other assistance programs, and offer various supports for individuals and families experiencing homelessness.

Source for Section: Enacted Budget Summary, 2018-19 <http://www.ebudget.ca.gov/>

Exhibit 13. Figure SWE-02: 2018-19 Affordable housing and homelessness funding

The Budget includes \$5.1 billion in state and federal funds to address housing and homelessness (see Figure SWE-02).

Figure SWE-02
2018-19 Affordable Housing and Homelessness Funding
(Dollars in Millions)

Department	Program	Amount
Department of Housing and Community Development	Veterans and Affordable Housing Bond Act Programs (SB 3)	\$277
	No Place Like Home Program	\$262
	Building Homes and Jobs Fund Programs (SB 2)	\$255
	Federal Funds	\$122
	Housing for Veterans Funds	\$75
	Infill Infrastructure Grant Program Reappropriation	\$51
	Multifamily Housing Program - Supportive Housing	\$39
	Office of Migrant Services	\$6
	Housing Related Parks Program Reappropriation	\$2
	Various	\$15
California Housing Finance Agency ^{1/}	Single Family 1st Mortgage Lending	\$1,500
	Multifamily Conduit Lending	\$300
	Multifamily Lending	\$200
	Single Family Down Payment Assistance	\$108
	Special Needs Housing Program	\$30 ^{2/}
Homeless Coordinating and Financing Council	Emergency Homeless Aid Block Grants	\$500
Strategic Growth Council ^{3/}	Affordable Housing and Sustainable Communities	\$455
Tax Credit Allocation Committee	Low Income Housing Tax Credits (Federal)	\$259 ^{4/}
	Low Income Housing Tax Credits (State)	\$97
	Farmworker Housing Assistance Tax Credits	\$3
Department of Veterans Affairs	CalVet Farm and Home Loan Program	\$264
Department of Social Services	CalWORKS Housing Support Program	\$71
	CalWORKS Homeless Assistance Program	\$43
	Senior Home Safe Program	\$15
	CalWORKS Family Stabilization, Housing Component	\$3 ^{5/}
Department of Health Care Services	Homeless and Mental Illness Program	\$50
	Whole-Person Care Pilot Program, Health Homes Program, Mental Health Services Act Community Services and Supports, California Community Transitions Program	N/A ^{6/}
	Domestic Violence Housing First Program	\$13
Office of Emergency Services	Transitional Housing Program	\$10
	Domestic Violence Shelters and Services	\$10
	Specialized Emergency Housing	\$5
	Homeless Youth and Exploitation Program	\$2
Department of Public Health	Housing Opportunities for Persons with AIDS (HOPWA)	\$3
	Housing Plus Program	\$2
California Department of Corrections and Rehabilitation	Integrated Services for Mentally-Ill Parolees	\$3
	Specialized Treatment of Optimized Programming, Parole Service Center, Day Reporting Center, Female Offender Treatment and Employment Program	N/A ^{6/}
Total		\$5,050

^{1/} Amounts are based on lending activities from 2017-18 trends.

^{2/} This amount represents a voluntary allocation of Proposition 63 funds from 16 participating counties.

^{3/} The Affordable Housing and Sustainable Communities program amount reflects 20 percent of projected Cap and Trade auction proceeds.

^{4/} This amount represents the 9 percent tax credits allocated in 2018-19 and an estimated figure for 4 percent credit awards based on 2015-2017 averages. This figure does not include the approximately \$4 billion of tax-exempt bond debt allocation that is available for award from the California Debt Limit Allocation Committee.

^{5/} This amount represents an estimate of the portion of the program associated with housing and homelessness activities.

^{6/} The state provides a number of wrap-around supportive services through these programs, including housing support and application assistance, which cannot be separated from the Department of Health Care Services' and Department of Corrections and Rehabilitation's general budgets.

In addition to what is stated above, the following investment have been made:

- **The Housing and Disability Advocacy Program** was established by Assembly Bill 1603 (Chapter 25, Statutes of 2016) to assist disabled individuals who are experiencing homelessness to apply for disability benefit programs while also providing housing assistance. The 2017-18 California State Budget Act appropriated \$43.4M for the program.
- **The Bringing Families Home Program** was established by Assembly Bill 1603 (Chapter 25, Statutes of 2016) and provides \$10 million to reduce the number of families in the child welfare system experiencing or at risk of homelessness, to increase family reunification, and to prevent foster care placement.

In creating the recommendations in Exhibit 14 below, the Task Force subcommittee on Housing and Homelessness considered subsidized affordable housing, inclusionary zoning policy, housing vouchers, rent control, the Low-Income Home Energy Assistance Program (LIHEAP), and policies to address homelessness. The priority recommendations span discrimination protections, targeted rent subsidies for vulnerable populations, and broader rent control and housing supply provisions to help Californians in poverty secure and maintain decent, affordable housing. The research base for these recommendations varies. Several recommendations are supported by rigorous experimental or quasi-experimental studies, while others involve expansion of pilot programs with research underway. For instance, flexible housing subsidy programs (which can include rent subsidies, supportive services, and landlord assistance) are being piloted in many localities across the country.⁷¹ Initial reviews of these programs indicate that they have demonstrated notable successes among participants in terms of (1) providing vulnerable populations with improved access to suitable housing, (2) reducing rent burdens and (3) increasing housing stability for the targeted populations.

The rationale for the combined rent stabilization and housing supply recommendation is that California faces extraordinarily high rents, which are a major contributor to this state's high poverty rate. Rent increases are undercutting positive impacts of minimum wage gains for low-income families and threaten to undermine attempts to address poverty through improved cash benefits, tax credits, and child care and housing subsidies. In order to ensure that improved benefits are not simply "passed through" to landlords in the form of higher rents, it is important that any plan targeting childhood poverty include provisions addressing the state's low-income housing shortages and soaring rents.

⁷¹ HPRI Literature Review, Flexible Housing Subsidy Pilot Programs. Homelessness Policy Research Institute, October 2018.

Exhibit 14. Housing and homelessness recommendations

Recommendation	Tier	Target population	Potential cost
1. Protection and landlord incentives for families using Section 8 and other rent vouchers.	Immediate	Individuals and families in poverty, deep poverty, and those at risk of poverty.	\$15 million annual state costs to provide incentives averaging \$3,000 for 5,000 families. Administrative and enforcement costs
<p>Description: Further define “source of income” in the state’s list of tenant characteristics (such as disability and family status) that are protected from discrimination to include/define U.S. Department of Housing and Urban Development (HUD) Housing Choice Vouchers (HCV) or other rental assistance programs as income, to protect Section 8 clients and clients of other rental assistance programs. Provide incentives to landlords to accept poor/low-income families with a Section 8 or other rental subsidy – such as to hold the unit until subsidy payments can begin and for damage in excess of security deposits.</p> <p>Evidence: Descriptive evidence shows HCV voucher holders are less successful in finding housing in tight housing markets⁷², and anecdotal evidence suggests racial disparities among those experiencing homelessness and housing instability, as well as housing discrimination.⁷³</p>			
2. Fund shallow rental subsidies	Immediate	Families with children in deep poverty.	Cost estimates for this proposal are not included because the objective of such a shallow rent subsidy would be achieved through enactment of the monthly TCTC. If a low claiming rate or monthly distribution mechanism proves to be an insurmountable problem, the shallow rental subsidy is a viable (though less cost-efficient) alternative.
<p>Description: Fund shallow rental subsidies (flat dollar subsidies based on unit size) for families with children in deep poverty (using the California Poverty Measure). Subsidies could be time-limited or ongoing.</p> <p>Evidence: For families with children, direct rental assistance may be more cost-efficient and less disruptive to children than short shelter stays.⁷⁴ Shallow rent subsidies are used in a number of areas, including Oregon, Minnesota, Illinois, and the District of Columbia to keep families who are in their current housing, and communities find that the costs of providing short-term subsidies are lower than the cost of providing shelter.⁷⁵</p>			

⁷² Meryl Finkel and Larry Buron, “Study on Section 8 Voucher Success Rates,” U.S. Department of Housing and Urban Development, 2001, https://www.huduser.gov/portal/publications/pdf/sec8success_1.pdf.

⁷³ “Minutes for the Housing Authority of the City of Richmond,” Richmond Housing Authority, September 29, 2017, <https://www.ci.richmond.ca.us/ArchiveCenter/ViewFile/Item/8346>.

⁷⁴ Dennis P. Culhane & Stephen Metraux (2008) Rearranging the Deck Chairs or Reallocating the Lifeboats? Homelessness Assistance and Its Alternatives, Journal of the American Planning Association, 74:1, 111-121, DOI: 10.1080/01944360701821618. <https://www.tandfonline.com/doi/abs/10.1080/01944360701821618>

⁷⁵ Collins, C. C., Coulton, C. J., & Kim, S. J. Family Homelessness in Cuyahoga County. http://blog.case.edu/msass/2009/07/07/SoC%205_12_2009_Family_Homelessness%20White%20Paper_FINAL.pdf

Recommendation	Tier	Target population	Potential cost
3. Implement (1) rent stabilization and (2) a set of housing supply provisions in localities falling short of their low-income housing goals and/or experiencing rent increases in excess of inflation.	Immediate	Provisions would apply, to varying degrees, to most families, but primary focus would be on families in poverty, deep poverty, or at risk of poverty.	Administrative and support costs.
<p>Description: Impose both (1) state rent stabilization and (2) a set of housing supply provisions in localities falling short of their low-income housing goals and/or experiencing rent increases in excess of inflation. Rent stabilization provisions would apply to non-luxury rental units built prior to 1995. They would not apply to vacant units and would include provisions prohibiting eviction without just-cause. Housing supply provisions would require that the locality reduce zoning and regulatory requirements on low-income housing, particularly in infill and transit-adjacent areas and on public lands, and, for the localities covered by this proposal, would modify existing provisions in state law relating to density bonuses, with the goal of encouraging more set-asides for affordable housing.</p> <p>Evidence: Research on San Francisco suggests that rent control has a positive impact on housing stability for renters. Specifically, it indicates that tenants in rent-controlled units, particularly elderly renters and families are more likely to remain at the same address with rent control.⁷⁶ A 2015 study by the California Legislative Analyst's Office (LAO) found that California faces a major housing shortage with major impacts on low-income Californians.⁷⁷ The LAO recommended actions to facilitate construction of high-density housing, such as changes to local land use authority, local finance, and CEQA reform, particularly in regions where housing shortages are most acute. Estimates of effects of specific housing supply policies are provided in an analysis by U.C. Berkeley.⁷⁸ Studies have shown that application of strict rent controls (e.g. those applying controls to new and vacant units) can reduce property values and reduce the housing supply.⁷⁹ However, the rent stabilization envisioned in this proposal would be targeted and temporary, would only apply to old units (thus not affecting returns on new investment) and would not apply to vacant units. Just as importantly, the stabilization would be paired with meaningful housing supply provisions (such as CEQA reform, zoning changes, and changes to laws regarding density bonuses) that would reduce barriers to new construction and make investment in low-income housing more attractive.</p>			
4. Expand Bringing Families Home (BFH) program statewide.	Comprehensive	Primarily children and families in deep poverty.	Low tens of millions per year.
<p>Description: Bringing Families Home is currently a pilot program in 12 counties which aims to assist child welfare involved families who are homeless find and maintain safe, stable housing through rapid rehousing (rental subsidy plus intensive case management), HUD vouchers, or permanent supportive housing.</p> <p>Evidence: CDSS is working with UC-Berkeley and the Children's Data Network to do an evaluation of BFH - results will be coming in the next 18 months. Initial results show promising results.⁸⁰</p>			

⁷⁶ Diamond, R., McQuade, T., & Qian, F. (2018). The effects of rent control expansion on tenants, landlords, and inequality: Evidence from San Francisco (No. w24181). National Bureau of Economic Research.
https://www.nber.org/papers/w24181?utm_campaign=ntw&utm_medium=email&utm_source=ntw

⁷⁷ California's High Housing Costs: Causes and Consequences." California Legislative Analyst's Office, March 2015.
<https://lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf>

⁷⁸ MacDonald, G. (2016). The Effect of Local Government Policies on Housing Supply. Turner Center for Housing Innovation at UC Berkeley.
http://turnercenter.berkeley.edu/uploads/The_Effect_of_Local_Government_Policies_on_Housing_Supply.pdf

⁷⁹ David H. Autor, Christopher J. Palmer, and Parag A. Pathak, "Housing Market Spillovers: Evidence from Rent Control in Cambridge, Massachusetts." Journal of Political Economy. Vol 122, June 2014.

⁸⁰ <https://mackcenter.berkeley.edu/sites/default/files/hou-2016-05-06/HOU/TOC-HOU-8.pdf>,
https://www.huduser.gov/portal/family_options_study.html,

Recommendation	Tier	Target population	Potential cost
5. Provide housing subsidies for homeless families and youth.	Comprehensive	Children and families in deep poverty.	\$36 million in state costs annually. Assumes 2,000 families receive \$1,000 rental subsidy and \$500 in support services per month. (Total also includes administrative costs).
<p>Description: Provide ongoing housing subsidies and services for families and youth experiencing homelessness to access private-market housing or affordable housing to end homelessness among this population. Approach could be considered for youth exiting the juvenile justice system who are at risk of homelessness upon reentry.</p> <p>Evidence: The HUD Family Options Study shows that families getting ongoing rental assistance are far more likely to exit homelessness and remain stably housed than rapid re-housing, shelter, or transitional housing programs.⁸¹</p>			
6. Provide eviction defense and related legal services to low-income households.	Comprehensive	Children and families in poverty and deep poverty, or at risk of being in poverty.	\$90 million annually in state costs when fully phased in.
<p>Description: Provide state funding primarily to support eviction court representation for low-income Californians facing eviction. Allow local governments flexibility to provide legal assistance in other areas.</p> <p>Evidence: Experimental studies show that tenants with attorneys were less likely to be evicted than self-represented tenants.⁸² An ordinance providing funds to support legal representation in eviction court was passed in San Francisco in 2018.</p>			
7. Provide housing vouchers for young adults aging out of foster care.	Comprehensive	Primarily young adults in poverty and deep poverty, but potentially small number not in poverty.	\$12 million (state funds) first year, rising to \$60 million by fifth year and holding steady thereafter.
<p>Description: Provide housing vouchers until their 26th birthday for young adults aging out of extended foster care.</p> <p>Evidence: Youth aging out of foster care are among the population at greatest risk for becoming homeless. In a descriptive study of foster care youth up to age 26, nearly one third of study participants experienced homelessness after leaving foster care.⁸³ Youth up to age 24 aging out of foster care are able to receive time-limited housing vouchers (up to 18 months) under HUD's Family Unification Program.</p>			

<https://www.acf.hhs.gov/opre/research/project/homeless-families-research-briefs> (particularly child separation among families experiencing homelessness brief), <https://www.urban.org/sites/default/files/publication/41621/2000105-Helping-Families-Involved-in-the-Child-Welfare-System-Achieve-Housing-Stability.pdf>, <https://www.urban.org/research/publication/supportive-housing-high-need-families-child-welfare-system/view/full-report>; https://www.csh.org/wp-content/uploads/2011/12/Report_KFTFindingsreport.pdf

⁸¹ Gubits, Daniel, Marybeth Shinn, Michelle Wood, Stephen Bell, Samuel Dastrup, Claudia D. Solari, Scott R. Brown, Debi McInnis, Tom McCall, and Utsav Kattel. "Family options study: 3-year impacts of housing and services interventions for homeless families." (2016). https://www.huduser.gov/portal/family_options_study.html

⁸² C. Seron, G. Van Ryzin, M. Frankel, and J. Kovath, "The Impact of Legal Counsel Outcomes for Poor Tenants in New York City's Housing Court: Results of a Randomized Experiment," Law and Society Review 35 (2001): 419–434; D. J. Greiner, C. W. Pattanayak, and J. Hennessy, "The Limits of Unbundled Legal Assistance: A Randomized Study in a Massachusetts District Court and Prospects for the Future," Harvard Law Review 126 (2013): 901–989.

⁸³ Dworsky, A., Napolitano, L., & Courtney, M. (2013). Homelessness during the transition from foster care to adulthood. American Journal of Public Health, 103(S2), S318–S323. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3969135/>

Health care

Poverty is the major social determinant of health and mental health, and must be addressed holistically for families. Low-income Americans, whether adults or children, are consistently less healthy than the wealthy based on a variety of health indicators.⁸⁴ For example, lower income is associated with greater mortality. Further, the mortality gap between the richest and the poorest in the United States has increased between 2001 and 2014.⁸⁵ Even though Californians' life expectancy compares favorably to the rest of the country on average, California has the highest poverty rate adjusted for the high cost of living.⁸⁶

Families living in deep poverty frequently experience toxic levels of stress requiring extended periods of recovery. Health care coverage, access, and mental health and dental health are all essential to lift families out of poverty. Despite large expansion of Medi-Cal, California's Medicaid program under the Affordable Care Act and state-led efforts, some 3 million Californians remain uninsured, 59 percent of whom are ineligible for Medi-Cal due to their immigration status.⁸⁷

Medi-Cal is administered by the Department of Health Care Services (DHCS). Medi-Cal is a public health care coverage program that provides comprehensive health care services at no or low cost for low-income individuals. The federal government mandates basic services, including: physician services; family nurse practitioner services; nursing facility services; hospital inpatient and outpatient services; laboratory and radiology services; family planning; and early and periodic screening, diagnosis, and treatment services for children. In addition to these mandatory services, the state provides optional benefits such as outpatient drugs, dental, home and community-based services, and medical equipment. The Department also operates the California Children's Services and the Primary and Rural Health programs, and oversees county-operated community mental health and substance use disorder programs.

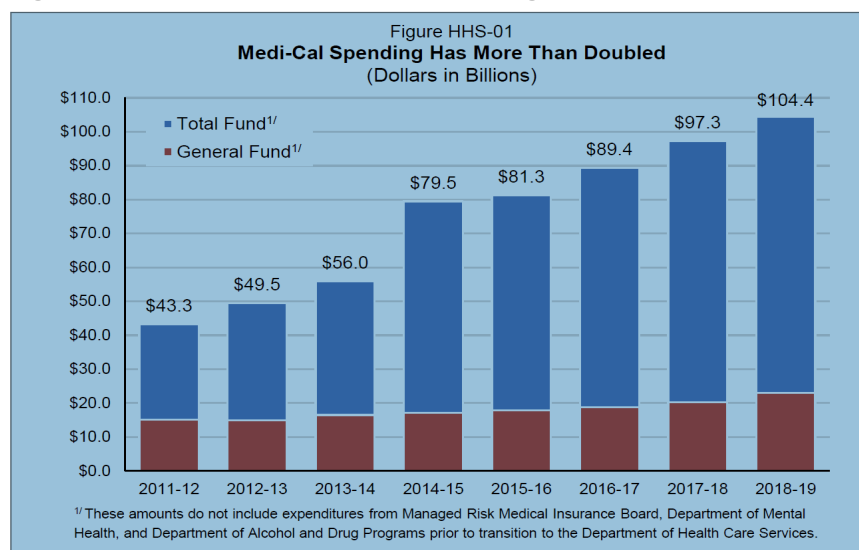
Since 2011-12, Medi-Cal spending has more than doubled, as shown in Exhibit 15. Compared to the 2011 Budget, total program costs increased from \$43.3 billion (\$14.7 billion General Fund), to \$104.4 billion (\$23 billion General Fund) in the Budget. These changes reflect a significant expansion in the number of individuals receiving coverage through Medi-Cal and the Children's Health Insurance Program (CHIP) from 8.5 million to 13.3 million. Caseload for the Affordable Care Act (ACA) Optional Expansion population is anticipated to cover approximately 3.9 million individuals in 2018-19. In addition, 1.4 million people are expected to receive medical coverage through Covered California in 2018-19. Consequently, California has reduced the uninsured share of its population to less than ten percent.

⁸⁴ Braveman, Paula A., et al. "Socioeconomic disparities in health in the United States: what the patterns tell us." *American Journal of Public Health* 100.S1 (2010): S186-S196.

⁸⁵ Chetty R, Stepner M, Abraham S, et al. The Association Between Income and Life Expectancy in the United States, 2001-2014. *JAMA*. 2016;315(16):1750–1766. doi:10.1001/jama.2016.4226

⁸⁶ Laird, Jennifer, et al. "Poor State, Rich State: Understanding the Variability of Poverty Rates across US States." *Sociological Science* 5 (2018): 628-652.

⁸⁷ Laird, Jennifer, et al. "Poor State, Rich State: Understanding the Variability of Poverty Rates across US States." *Sociological Science* 5 (2018): 628-652.

Exhibit 15. Figure HHS-01: Medi-Cal spending has more than doubled

As a result of the unprecedented coverage expansions in the Medi-Cal program over this period, the state is projected to spend \$18.7 billion (\$1.7 billion General Fund) on the ACA Optional Expansion population in 2018-19. This expansion is funded in part by a redirection of some of the savings experienced by counties who have responsibility for indigent health care programs. Under Chapter 24, Statutes of 2013 (AB 85), the state is projected to redirect approximately \$773 million in 2018-19 for this purpose. In addition, the Budget includes costs of \$365.2 million (\$287.7 million General Fund) to expand full scope Medi-Cal coverage to 200,000 children regardless of immigration status as authorized by Chapter 18, Statutes of 2015 (SB 75).

Many of the program reductions from the Great Recession have been restored, including most optional benefits in the Medi-Cal program, such as dental benefits for adults and enteral nutrition, acupuncture, and psychology. Additionally, the state has made significant investments since the passage of the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56) in various rate increases and supplemental provider payments.

This Budget continues the state's progress toward providing health coverage for all Californians by creating the Council on Health Care Delivery Systems to research and provide potential options to achieve expanded coverage within an efficient health care financing system. The Budget also creates the Health Care Cost Transparency Database to collect and analyze health care cost data to improve transparency, inform policy decisions, reduce disparities, and reduce health care costs.

Significant Adjustments in 2018-19

Proposition 56—The Budget includes funding to support growth in Medi-Cal for expenditures above the 2016 Budget Act (\$217.7 million), supplemental provider payments (\$786.7 million), rate increases (\$34.6 million), and a loan assistance program (\$220 million) for recently graduated physicians and dentists who agree to work in underserved areas, as detailed in Figure HHS-02.

Exhibit 16. Figure HHS-02: Medi-Cal Proposition 56 investments

(Dollars in Millions)

Category	2018-19
Physician Services Supplemental Payments	\$500.0
Supplemental Payments for Dental Services	210.0
Women's Health Supplemental Payments	49.0
ICF/DD Supplemental Payments ^{1/}	12.3
AIDS Waiver Supplemental Payments	3.4
Home Health Providers Rate Increase	27.6
Pediatric Day Health Care Facility Rate Increase	7.0
Physician and Dentist Loan Assistance Program	220.0
Other One-Time Supplemental Payments	12.0
Total	\$1,041.3

1/ Includes Proposition 56 costs for continuous skilled nursing facilities.

- School-Based Mobile Vision—The Budget includes \$1 million General Fund for a school-based mobile vision services grant.
- CHIP Reauthorization—In February 2018, the federal government approved a ten-year extension of enhanced federal funding at 88 percent through September 30, 2019, phasing down in future years to the historic ratio of 65 percent.
- ACA optional Expansion—In January of each year, the state's cost-sharing ratio for the 3.9 million Californians in the optional Medi-Cal expansion increases incrementally until it reaches 10 percent in 2020. The Budget includes \$18.7 billion (\$1.7 billion General Fund), an increase of \$803.2 million (\$251 million General Fund) compared to 2017-18 for the optional expansion population.
- Elimination of State-Only Limits on Breast and Cervical Cancer Treatment—The Budget includes \$8.4 million General Fund to eliminate the 18-month treatment limitation for breast cancer and 24-month treatment limitation for cervical cancer in the state-only Breast and Cervical Cancer Treatment Program.
- Data Collection and Sharing Initiatives—The Budget includes \$50 million (\$5 million General Fund) in 2018-19 for the development of Health Information Exchanges to facilitate data sharing of health information between health systems. It also includes funding for changes to the California Health Information Survey to study the accuracy of responses and data collected related to children's health (\$750,00 General Fund) and for incorporating questions and increasing efforts to conduct outreach involving long-term services and supports (\$3 million General Fund).

Source for Section: Enacted Budget Summary, 2018-19 <http://www.ebudget.ca.gov/>

The Task Force identified important remaining gaps related to health care investments. Task Force members considered a variety of investments to ensure coverage for all Californians in poverty, community-based health services, early intervention and primary prevention programs, and coordination and case management.

Exhibit 17. Health Care recommendations

Recommendation	Tier	Target population	Potential cost
1. Expand Medi-Cal coverage	Immediate	Children and families in poverty and deep poverty, as well as those at risk of poverty.	State costs of \$1.6 billion annually.
<p>Description: Expand Medi-Cal coverage to all adults with dependent children, up to 138% of the FPL regardless of immigration status.</p> <p>Evidence: Access to Medi-Cal has a direct impact on family poverty. This is because it reduces out-of-pocket medical expenses, which are subtracted from family resources in the California Poverty Measure and Supplemental Poverty Measure. A recent study of the impacts of the Medicaid expansion in Michigan found that enrollment in the program was associated with large improvements in several measures of financial health (a predictor of family stability).⁸⁸ These include reductions in unpaid bills, over-limit credit card spending, delinquencies, evictions, judgments, and bankruptcies. Children also benefit from their parent's access to Medi-Cal to the extent that the parents' health affects their ability to work and earn income.</p>			
2. Provide funding streams to open clinics in high poverty areas	Immediate	Primarily children and families in poverty and deep poverty.	State costs of \$30 million annually.
<p>Description: Develop a state funding mechanism through the California Health Facilities Financing Authority (similar to "Cedillo-Alarcon capital grant program"), to fund nonprofit federally qualified health centers to expand clinic sites into underserved and high poverty areas (including building school-based health centers).</p> <p>Evidence: Federally qualified health centers (FQHCs) provide primary care and screening services for a large number of low-income patients, including those that are uninsured, in rural settings, and/or in special populations such as homeless and seasonal farmworkers. According to the National Association of Community Health Centers, about one third of those served are under 18. There is strong evidence that FQHCs increase access to primary care and improve health outcomes for their patients.⁸⁹</p>			
3. Develop early intervention and primary prevention programs.	Comprehensive	Children and families in poverty and deep poverty.	State costs starting in the mid-tens of millions of dollars per year, rising over time to the low hundreds of millions, depending on number of low-income families served and scope of services.

⁸⁸ Sarah Miller, Luoia Hu, Robert Kaestner, et al. "The ACA Medicaid Expansion in Michigan and Financial Health," NBER Working Paper Series, September 2018.

⁸⁹ Brendan Saloner, Genevieve M Kenney, et al. "The Availability of New Patient Appointments for Primary Care and Federally Qualified Health Centers: Findings From an Audit Study," Urban Institute, April 7, 2014. Lisa S Meredith, David P Eisenman, Bing Han et al, "Impact of Collaborative Care for Underserved Patients with PTSD in Primary Care: a Randomized Controlled Trial," Journal of General Internal Medicine, May 2016, Volume 31, Issue 5, pp 509-517.

Recommendation	Tier	Target population	Potential cost
<p>Description: In alignment with Medi-Cal and other health programs, develop and fund comprehensive primary prevention programs (including dental and behavioral health) that deliver children’s health services outside of a clinic, namely, elementary, middle and high school campuses and state and federally-sponsored child care and early learning programs to reimburse nonprofit healthcare providers for primary prevention and early health intervention services provided on these sites outside of a clinic.</p> <p>Evidence: Research has shown that school-centered health care has been effective at providing children access to comprehensive health care, mental health services, health education, prevention services, oral health, and social services. It has also found a positive relationship between usage of these centers and academic achievement, particularly for students needing mental health services.⁹⁰</p>			
4. Reimburse care coordination, case management, and other services.	Comprehensive	Children and families in poverty and deep poverty.	State costs starting in the mid-tens of millions of dollars per year, rising over time to the low hundreds of millions, depending on number of low-income families served and scope of services.
<p>Description: Pursue policies and develop funding streams to reimburse health providers to provide care coordination, case management, health education services, and social supports for low-income families with children.</p> <p>Evidence: A growing body of research indicates that nonmedical issues, such as psychological and social factors are linked to health.⁹¹ Studies have also found that coordinated services models that address both medical and social factors have been successful in terms of helping patients manage chronic illnesses, reducing the number hospital admissions, readmissions, and emergency department visits relative to control populations.⁹²</p>			

⁹⁰ See, for example, Mayris P Webber, DrPH.; Kelly E Carpiniello, MA; Tosan Oruwariye, MD, MPH; et al. “Burden of Asthma in Inner-City Elementary School Children; Do School-Base Health Centers Make a Difference?” JAMA Pediatrics; February 2003 and “Sarah Cusworth Walker Ph.D; Suzanne E.U.Kerns Ph.D; Aaron R Lyon Ph.D; et al. Impact of School-Based Health Center Use on Academic Outcomes.” Journal of Adolescent Health, Volume 45, Issue 3, March 2010, Pages 251-257.

⁹¹ World Health Organization. “Meeting Report: All For Equity.” World Conference on Social Determinants of Health. Rio de Janeiro, Brazil. 2012.

⁹² Victoria M Rizzo, Jeannine M Rowe, Gayle Shier Kricke, et al. “AIMS: A Care Coordination Model to Improve Patient Health Outcomes.” Health Soc Work. August 2016; 41(3): 191-195.

Education, workforce, and training

The California economy must be healthy, and jobs have to be available and pay a living wage to improve poverty rates. This includes consideration of issues like the predictability of hours and shifts, the effect of automation, and the digital and service economies. Employment provides the most sustainable route out of poverty, requiring: job skills, transition and barrier removal services, subsidized employment/apprenticeships, and child care for adults in workless households currently experiencing deep poverty. Apprenticeships, skills gateways and supportive services for childless young people not in employment, education or training are also vital.

Over the past eight years, California's investment in education, workforce, and training include enacting the Local Control Funding Formula (LCFF); fostering "demand-driven skills attainment" by aligning workforce and education programs with the needs of state industry; and aligning, coordinating, and integrating programs and services to economize limited resources to achieve scale and impact. Investments include:

- In September 2013 California passed legislation, which approved the first minimum wage raise for Californians in six years. The bill raised the California Minimum Wage to \$9.00 per hour effective July 2014 and continued with the current increase in 2018. The current minimum wage of \$11.00 per hour is effective from January 2018 for employers in California with 26 or more employees. Employers with 25 or fewer employees have a minimum wage of \$10.50 per hour. In recent years many cities and municipalities in California have also established their own minimum wage rates.
- With significant increases in the Proposition 98 minimum guarantee, the Administration and the Legislature have paid down debt owed to schools, fully implemented the LCFF, and provided schools with large grants of flexible, discretionary funding to invest in local priorities. For K-12 schools, this increase results in Proposition 98 per pupil spending of \$11,640, a \$4,633 increase over the 2011-12 per pupil spending levels. Additionally, over this period of time, per pupil spending from all state, federal, and local sources increased by approximately \$5,700 per pupil to \$16,352.⁹³
- The Adult Education Program, formerly named the Adult Education Block Grant Program, established in 2015-16, provides \$527 million to support a coordinated approach between K-12 schools, community colleges, and community-based partners to provide educational opportunities to adult learners, including programs that lead to high school diplomas, English as a Second Language courses, and additional career opportunities.
- The Strong Workforce Program: created in 2016-17, provides \$248 million annually to expand the availability of career technical education and workforce development courses aligned with regional labor market demand.

⁹³ Source for Section: Enacted Budget Summary, 2018-19 <http://www.ebudget.ca.gov/>

- Subsidized employment programs provide jobs to people who cannot find employment in the regular labor market and use public funds to pay all or some of their wages. The CalWORKs expanded subsidized employment program is currently funded at over \$134 million annually.
- The Breaking Barriers to Employment Initiative assists individuals who have multiple barriers to employment to receive the remedial education and work readiness skills to help them to successfully participate in training, apprenticeship, or employment opportunities that will lead to self-sufficiency and economic stability.
- The 2018-19 budget included \$16 million General Fund for the Statewide Prison to Employment Initiative, the Initiative is designed to link offenders released from prison to jobs in their community and thereby reduce their chance of returning to a life of crime.
- New transportation revenues have been directed to be used towards deferred maintenance on the state highways and local streets and roads, and to improve the state's trade corridors, transit, and active transportation facilities. This also includes a \$5,000,000 appropriation each fiscal year to the California Workforce Development Board to assist local agencies to implement policies to promote pre-apprenticeship training programs.
- The California Clean Energy Jobs Act (Proposition 39) modified the manner in which out-of-state businesses calculate their income tax. The savings generated by Prop 39 are directed to fund public schools and create jobs in the state, especially construction jobs in the clean energy sector.

The Workforce, Education, and Training subcommittee was tasked with investigating numerous existing programs and policies, including career one stops, WIOA, CalJOBS, Community College training, college preparation, access and funding, unemployment insurance, minimum wage, career and technical education, subsidized employment, hiring credits, Work Opportunity Tax Credits, and Workers Comp. In addition, the subcommittee considered policies within the K-12 education domain, including Title 1, LCFF, school lunch, expanded learning programs, and summer school enrichment programs. In Exhibit 18, the priority recommendations focus on funding supportive services for workforce participants, increasing the supplement for low-income children in the LCFF, and increasing coordination across the many programs aiming to support education and employment for this population.

Exhibit 18. Education, workforce, and training recommendations

Recommendation	Tier	Target population	Potential cost
1. Fund supportive services for low-income workforce and education program participants.	Immediate	Primarily adults and families in deep poverty.	\$50 million annually in state funds, assuming 20,000 served and a cap of \$5,000 in supportive services per person. Also assumes that 50% of cost covered by federal SNAP education and training reimbursement.

Recommendation	Tier	Target population	Potential cost
<p>Description: Provide a dedicated source of state funds for supportive services for workforce and education program participants to ensure participants can complete programs.</p> <p>Evidence: These services are consistent with findings about common reasons for not completing programs. For example, in unpublished findings associated with the WIA evaluation, the lack of child care or affordable transportation were the primary reasons many individuals did not complete their vocational training programs.</p>			
<p>2. Ensure existing and future Local Control Funding Formula (LCFF) funding be accounted for at the school level, as well as other state, local and federal funds, to ensure that the supplemental and concentration grants generated for children living in poverty, foster youth and/or English Language Learners are expended on students in these subgroups. In addition, California schools are underfunded and this disproportionately impacts those students living in poverty. Policymakers should evaluate LCFF's funding level and work with stakeholders to set a new, more adequate funding target that builds on the equitable funding mechanisms embedded in the formula and achieves expected outcomes for students.</p>	<p>Immediate</p>	<p>Children/families in poverty and deep poverty.</p>	<p>Proposal could result in both a reallocation of existing state expenditures within Proposition 98 and, potentially, an increase in total state funding for schools, depending on the results of Legislative reassessment of the adequacy of the current LCFF formula.</p>
<p>Description: Existing and future LCFF funding must be accounted for at the school level, as well as other state, local and federal funds, in comparable ways to ensure that the supplemental and concentration grants generated by children living in poverty, foster youth and/or English Language Learners are expended on students in these subgroups. In addition, California schools are underfunded, and this disproportionately impacts those students living in poverty. Policymakers should evaluate LCFF's funding level and work with stakeholders to set a new, more adequate base funding target that builds on the equitable funding mechanisms embedded in the formula.</p> <p>This must be paired with expected outcomes for educational institutions to improve the educational attainment of low-income children, eliminate achievement gaps and barriers to regular school attendance (e.g., transportation, medical and/or mental health services, socio-emotional support services), provide full-day opportunities (e.g., expanded learning and extracurricular activities), strengthen family engagement, and leverage community resources. Greater accountability and monitoring by the California Department of Education is needed to ensure that additional funding for low-income children actually benefits low-income children and results in increased or improved services for them as opposed to school-wide or district-wide expenditures that are not based on a clear consideration of the needs, conditions, or circumstances of low-income children.</p> <p>Evidence: In two studies, researchers found that sustained funding increases substantially improved student academic achievement, especially for low-income school districts. In neither study were the funding increases tied to specific outcomes like family engagement, full-day schooling, and leveraging community resources, though those intermediate outcomes are independently linked with higher academic achievement.⁹⁴</p>			

⁹⁴ Jackson, Kirabo, Rucker Johnson, and Claudia Persico. 2016. "The Effects of School Spending on Education and Economic Outcomes: Evidence from School Finance Reforms." *The Quarterly Journal of Economics*, vol. 131(1), pp. 157-218; LaFortune, Julien, Jesse Rothstein, and Diane Whitmore Schanzenbach. 2018. "School Finance Reform and the Distribution of Student Achievement," *American Economic Journal: Applied Economics*, vol. 10(2), pp. 1-26.

Recommendation	Tier	Target population	Potential cost
3. Prioritize parents living in poverty in workforce and training programs.	Immediate	Children and families in poverty and deep poverty.	State costs of \$250 million per year, assuming 25,000 served at an annual cost of \$10,000 per person.
<p>Description: Establish a new priority of service requirement to ensure workforce and training programs are prioritizing parents living in poverty without displacing current participants. Dedicate state funding to offset the long-term decline in federal funding of these programs.</p> <p>Evidence: Research shows that better educated and trained individuals tend to fare better in the labor market though the research on publicly funded training programs has shown mixed results, depending on the groups served and the type of training provided. Evidence for sector-based training programs aligned with labor market trends tends to be more promising than the mixed evidence for traditional vocational education programs. Research suggests that sectoral programs can lead to increased earnings and employment in high quality jobs with better career potential.⁹⁵</p>			
4. Create career pipeline opportunities for youth	Comprehensive	Youth/young adults in poverty and deep poverty	State costs of \$250,000 per year, assuming 20,000 new apprenticeships at an annual cost of \$12,500 per apprenticeship.
<p>Description: Increase pre-apprenticeship, apprenticeship, and summer employment opportunities for youth in poverty and create a source of dedicated funding for “earn and learn” activities targeted for individuals and families with barriers to employment.</p> <p>Evidence: There is strong evidence that such programs improve labor market outcomes for years beyond program participation. For example, Reed et al. (2012) found that registered apprenticeship programs increased employment rates by over 8 percentage points and earnings by about \$6,000 annually when they examined participants six and nine years after enrollment.⁹⁶ Similarly, Kemple and Willner (2008) found that career academies that combined youth vocational training with job-shadowing, on-the-job-training, internships, and career guidance had persistent earnings impacts five to eight years after program participation.⁹⁷</p>			
5. Increase access to occupational licenses and credentials.	Comprehensive	Children, families, and adults in poverty and deep poverty.	Minor state costs to administer the change on forms.

⁹⁵ Schaberg, Kelsey. 2017. “Can Sector Strategies Promote Longer-Term Effects? Three-Year Impacts from the WorkAdvance Demonstration.” New York, NY: MDRC; Maguire, Sheila, Joshua Freely, Carol Clymer, Maureen Conway, and Deena Schwartz. 2010. “Tuning In to Local Labor Markets: Findings from the Sectoral Employment Impact Study.” Philadelphia: Public/Private Ventures; Card, David, Jochen Kluve, and Andrea Weber. 2018. “What Works? A Meta Analysis of Recent Active Labor Market Program Evaluations,” Journal of the European Economic Association, Vol 16(3), pp. 894-931; Heinrich, Carolyn. 2016. “Workforce Development in the United States: Changing Public and Private Roles and Program Effectiveness.” Manuscript prepared for Labor Activation in a Time of High Unemployment: Encouraging Work while Preserving the Social Safety-Net, forthcoming from Oxford University Press; McConnell, Sheena, Kenneth Fortson, Dana Rotz, Peter Schochet, Paul Burkander, Linda Rosenberg, Annalisa Mastri, and Ronald D’Amico. 2016. “Providing Public Workforce Services to Job Seekers: 15-Month Impact Findings on the WIA Adult and Dislocated Worker Programs.” Report prepared for the U.S. Department of Labor. Washington, DC: Mathematica Policy Research.

⁹⁶ Reed, Deborah, Albert Liu, Rebecca Kleinman, Annalisa Mastri, Davin Reed, Samina Sattar, and Jessica Ziegler. 2012. “An effectiveness assessment and cost-benefit analysis of Registered Apprenticeship in 10 states.” Report prepared for the U.S. Department of Labor. Oakland, CA: Mathematica Policy Research.

⁹⁷ Kemple, James and Cynthia Willner. 2008. “Career Academies: Long-term impacts on labor market outcomes, educational attainment, and transitions to adulthood.” New York, NY: MDRC.

Recommendation	Tier	Target population	Potential cost
<p>Description: Ensure all California residents in poverty have a greater ability to participate in the workforce by requiring the entities responsible for licensing and credentialing various occupations (i.e. Commission on Teacher Credentialing, Emergency Medical Services Authority, etc.) to fully implement their authorization to use an individual tax identification number in lieu of a social security number.</p> <p>Evidence: Although occupational licensing conveys benefits to the public in terms of safety and consumer protections, it can also create barriers to low-income workers seeking employment or trying to move up the economic ladder.⁹⁸ This proposal would remove one key barrier, by enabling individuals without a social security number to obtain licenses and participate in employment opportunities they are otherwise fully qualified for.</p>			

⁹⁸ "The State of Occupational Licensing: Research, State Policy, and Trends." National Conference of State Legislatures, 2017.

Special populations

Youth in poverty who are involved in the foster care, child welfare, and juvenile justice systems have specific needs and challenges. Many struggle to secure stable housing, finish education, and get support for mental health issues. Youth of color continue to be involved in the both the juvenile justice system and foster care system at disproportionate rates. California has made some progress in investments targeting these groups over the past eight years, including policies and programs related to child care and early education.

- The state began the Continuum of Care Reform (CCR) in 2015, which emphasizes home-based, family care placements with supportive services rather than group home care placements for children in foster care. The goal of these efforts is to improve child welfare outcomes for children and families through the development of preventive services to help keep children safely in their homes, when appropriate. Changes include: (1) input from the child, parents, and caregivers in case planning and case management, (2) a streamlined resource family approval process, (3) improvement in the retention and recruitment of caregivers, and (4) wraparound services, including mental health services to help support successful placements and reunifications. Initial funding for CCR was included in the 2015 Budget Act, and the Budget includes approximately \$248 million General Fund to continue these efforts, including \$35.8 million in one-time funding for foster parent retention, recruitment and support; to eliminate the backlog of foster care resource family applications; and provide additional support to implement a tool that assesses a child's level-of-care needs. Over the long term, local agencies should realize net savings from significant reductions in foster care assistance expenditures as group home placements will gradually transition to home-based family care settings.⁹⁹
- In January 2015, California implemented the Approved Relative Caregiver (ARC) Funding Option Program. With the ARC Program, the amount paid to ARCs for the in-home care of relative children placed with them will be equal to the basic rate paid to federally eligible FC providers. In 2018-19, California invested \$49 million in the ARC Program.
- The Emergency Child Care Bridge for Foster Children was established in 2017, funded at \$31 million annually, to increase the number of foster children successfully placed in home-based family care, increase capacity of child care programs to meet the needs of foster children in their care, and to maximize and leverage funding to support the child care needs of foster families.
- The California Fostering Connections to Success Act, effective January 2012, and subsequent legislation allowed foster care for eligible youth to extend beyond age 18 up to age 21. Eligible foster youth are designated as "non-minor dependents." This legislation also recognized the importance of family and permanency for youth by extending payment benefits and transitional support services for the Adoption Assistance Program and the Kinship Guardianship Assistance Payment Program.

The Special Populations subcommittee considered programs and policies for youth in foster care, child welfare, or the juvenile justice system. The recommendations in Exhibit 19 seek to

⁹⁹ Source for Section: Enacted Budget Summary, 2018-19 <http://www.ebudget.ca.gov/>

extend child care and other benefits to foster families, ease transitions for youth out of foster care and/or the juvenile justice system, and lessen the collateral consequences of justice system contact for youth and their families. The subcommittee also recognized that several other populations—including girls, youth involved in human trafficking, dual status youth who are in contact with both the juvenile justice and child welfare systems, youth with mental health conditions, and noncitizen youth—have specific needs that are also not being met.

Exhibit 19. Special populations recommendations

Recommendation	Tier	Target population	Potential cost
1. Encourage local governments to waive outstanding juvenile justice fines.	Immediate	Primarily children and families in poverty and deep poverty but would impact others without regard to poverty status.	Likely net one-time costs to local governments in low millions of dollars. Estimate reflects both low recovery rates for outstanding debt and the fact that Los Angeles County and several other local jurisdictions have already waived outstanding debts.
<p>Description: Youth living in poverty who have been involved in the criminal justice system—whether through arrest or incarceration—are often burdened with extensive fines and fees. Pass an addendum to SB 190, which limited juvenile fees going forward, that waives or forgives outstanding debt related to these fees for juveniles living in poverty.</p> <p>Evidence: Research shows that juvenile fees are extremely harmful to families, frequently implemented unlawfully, and costly for counties to administer.¹⁰⁰ SB 190, passed in October 2017, repealed county authority to charge fees to parents for their children’s interactions with the juvenile justice system, including administrative fees for children’s detention, legal representation, probation supervision, electronic monitoring, and drug testing in the juvenile justice system. However, many families in California still have fines and fees issued prior to the passage of the new law. While Los Angeles County and many other jurisdictions have waived these fines, others continue to pursue them. This recommendation encourages all localities to waive outstanding juvenile fees.</p>			
2. Create stronger statutory safeguards to protect low-income children and families from being referred to the juvenile court, prosecuted, and fined for truancy.	Immediate	Primarily children and families in poverty and deep poverty but would impact others without regard to poverty status.	State mandated local cost, potentially in the low millions of dollars annually.
<p>Description: Strengthen existing duties to identify and address the root causes of school attendance issues through school, district, and School Attendance Review Board (SARB) level interventions prior to, and as a prerequisite for, juvenile court intervention. Clarify that responses to truancy should be non-punitive and promote the student’s success at school while referrals to alternative education programs and/or the courts for truancy should be actions of last resort.</p> <p>Evidence: Kaplan, Alexander, Ahmed Lavalais, Tim Kline, Jenna Le, Rachel Draznin-Nagy, Ingrid Rodriguez, Jenny van der Heyde, Stephanie Campos-Bui, and Jeffrey Selbin. (2016.) High Pain, No Gain: How Juvenile Administrative Fees Harm Low-Income Families in Alameda County, California. Available at https://ssrn.com/abstract=2738710.</p>			

¹⁰⁰ Kaplan, Alexander, Ahmed Lavalais, Tim Kline, Jenna Le, Rachel Draznin-Nagy, Ingrid Rodriguez, Jenny van der Heyde, Stephanie Campos-Bui, and Jeffrey Selbin. (2016.) High Pain, No Gain: How Juvenile Administrative Fees Harm Low-Income Families in Alameda County, California. Available at <https://ssrn.com/abstract=2738710>.

Recommendation	Tier	Target population	Potential cost
3. Expand the Child Care Bridge Program to Meet the Needs of Children in Foster Care	Foundational	Children in poverty and deep poverty.	Annual cost of \$85 million (state funds) to expand to eligible children ages 0-12.
<p>Description: Expand the Child Care Bridge (“Bridge”) program for foster families, to ensure that vouchers are available to help caregivers access child care immediately upon placement of a child in their home and that all foster children can access ongoing child care to ensure stability in their placement.</p> <p>Currently, there is a total allocation of \$31 million to be divided among counties that elect to participate. The \$31 million is insufficient to meet the needs of all children who need the support of the Bridge Program. This proposal would extend the Bridge Program to ensure that all emergency caregivers and resource families have access to trauma informed child care.</p> <p>Evidence: Numerous studies conclusively demonstrate that early supportive, responsive relationships prevent and reverse the effects of abuse and neglect and participation in the foster care system.¹⁰¹</p>			
4. Provide adequate and appropriate housing for transition-age youth.	Foundational	Youth in poverty and deep poverty.	Providing additional 4,000 THP-Plus housing slots would cost approximately \$80 million in state funds annually, partly offset by a \$10 million reduction in SILP payments, for a net of \$70 million.
<p>Description: Provide adequate and appropriate housing for Transition Age Youth (TAY) and non-minor dependents (NMD). Housing instability and homelessness significantly hinder foster youths’ pursuit of higher education, meaningful employment, and self-sufficiency. The child welfare system is one of the main pipelines into homelessness. To stem the flow of foster youth into homelessness, invest in long-term housing stability for this population.</p> <p>Evidence: TAY and NMD are at significant risk of chronic homelessness, decreased educational and employment outcomes, increased likelihood of poverty and increased likelihood of interaction with the justice system if they are not supported as they transition from childhood to adulthood and strive to achieve self-sufficiency.</p>			
5. Examine strategies and opportunities to increase contact visiting between children and their parents at local jails that give children the opportunity to touch and hug their parents.	Immediate	Primarily children and families in poverty and deep poverty but would impact others without regard to poverty status.	Potential mandated local cost, reimbursable by the State.
<p>Description: Ensure that family issues are assessed and addressed during jail or prison intake and during reentry planning processes throughout a parent’s involvement in the criminal justice system.</p> <p>Evidence: Studies of parent-child contact during periods of the parent’s incarceration have found that the quality of the visits is an important factor affecting behavioral and psychological outcomes of both the parent and child. Institutional policies, such as the limited times allowed for visitation, and non-contact “Plexiglas” barriers, have been cited as negative factors leading to greater attachment insecurities and behavioral issues among children following visits. This measure would encourage development of enhanced visitation programs that have shown benefits for both parents and children.¹⁰²</p>			

¹⁰¹ Center on the Developing Child. (2007.) The Impact of Early Adversity on Child Development (In Brief). Retrieved from <https://developingchild.harvard.edu/resources/inbrief-the-impact-of-early-adversity-on-childrens-development/>.

For a review of the literature on impacts of visitation between children and their mothers, see Erin C Schubert, Megan Duininck, and Rebecca J Shlafer, “Visiting Mom: A pilot Evaluation of a Prison-Based Visiting Program Serving Incarcerated Mothers and Their Minor Children.” Journal of Offender Rehabilitation, 2016; 55(4);213-224.

Recommendation	Tier	Target population	Potential cost
6. School Stability for highly mobile populations: Fully fund transportation support for all youth who have a right to remain in their school of origin. Further establish alternative transportation options, with funding, for those youth who have a right to remain in school of origin when their parent/caregiver is unable to provide transportation.	Foundational	Children in poverty and deep poverty.	Annual state costs of about \$60 million.
<p>Description: This proposal ensures we are fully resourcing existing state and federal law by developing a clear and accessible rate and methodology for determining travel reimbursement for all children who have a right to remain in their school of origin (SOO).</p> <p>Currently, there is only an established rate and methodology for transportation reimbursement for children who are placed in a foster home leaving many other children (including youth who have exited to permanency, youth who have reunified with a parent, homeless youth, and youth in residential placements or shelter care) who have the right to remain in SOO without identified funding to effectuate that right.</p> <p>Evidence: Recent studies have demonstrated that each school move has a measurable negative impact on a child's academic growth and behavior.¹⁰³ The effects are magnified for children dealing with other instabilities, such as homelessness or changing home placements. The impacts are long-lasting, leading to growing gaps in educational performance over time.</p>			
7. Fully fund the Youth Reinvestment Program	Comprehensive	Primarily children and families in poverty and deep poverty.	Annual state costs of about \$60 million.
<p>Description: Fully fund the Youth Reinvestment program to support diversion programming that can reduce unnecessary youth contact with the juvenile justice system.</p> <p>Evidence: Several studies support the benefits and outcomes of diversion programs. A meta-analysis of pre-charge diversion programs for youth found that programs providing just a caution (with no referral to services) and programs providing an intervention are both more effective than the traditional justice system in reducing recidivism.; however, a second meta-analysis found no difference in the outcomes of diverted youth and traditionally processed youth.¹⁰⁴ For youth on probation, therapeutic interventions can be more effective at preventing repeat offenses than punishment-based approaches are, and therapy is often incorporated into probation supervision practices or used as an alternative to incarceration.¹⁰⁵</p>			
8. Facilitate post-secondary education for justice involved and foster youth	Comprehensive	Primarily young adults in poverty and deep poverty.	\$11.5 million in state funds annually

¹⁰³ Elysia V Clemens, Kristin Klopfenstein, Trent L Lalonde et al, "The Effects of Placement and School Stability on Academic Growth Trajectories of Students in Foster Care." Children and Youth Services Review 87 (2018) 86-94.

¹⁰⁴ Wilson, H. A., & Hoge, R. D. (2013). The effect of youth diversion programs on recidivism: A meta-analytic review. Criminal Justice and Behavior, 40(5), 497-518.

¹⁰⁵ Lipsey, M. W. (2009). The primary factors that characterize effective interventions with juvenile offenders: A meta-analytic overview. Victims and Offenders, 4(2), 124-147.

Recommendation	Tier	Target population	Potential cost
<p>Description: Provide all students who have obtained their high school diploma or equivalent while detained with the option of enrolling in a college course and/or a CTE program. Eventually, this policy could expand to provide dual-enrollment and college counseling/financial aid counseling to those youth no yet eligible to enroll full-time in post-secondary schools.</p> <p>Evidence: There are several successful examples of such programs, including Project Change at the College of San Mateo County, CA and Oregon Youth Authority's post-secondary education programming.</p>			
9. Enhance transition support for justice-involved youth	Comprehensive	Primarily children and families in poverty and deep poverty.	State costs of about \$11 million annually assuming about 1,100 youth exiting juvenile justice facilities with a GED or high school diploma and an average of \$10,000 of services per individual.
<p>Description: Current state laws do not assign responsibility of students' re-entry transitions to a singular agency due to the nature of multi-agency collaboration that is required for re-entry. Currently, only County Offices of Education and County Probation Departments are mandated parties for joint transition plans. School districts and the County agency dedicated to labor or workforce should also be required parties.</p> <p>Evidence: Joseph Gasper, Stefanie DeLuca, and Angela Estacion, "Switching Schools: Reconsidering the Relationship Between School Mobility and High School Dropout," American Educational Research Journal 49 no. 3 (June 2012) 487-519, https://doi.org/10.3102/0002831211415250.</p> <p>Elysia V. Clemens, Kristin Klopfenstein, Trent L. Lalonde, and Matt Tis, "The Effects of Placement and School Stability on Academic Growth Trajectories of Students in Foster Care," Children and Youth Services Review 87 (2018): 86-94, https://doi.org/10.1016/j.childyouth.2018.02.015.</p>			
10. Create and expand Kinship Navigator programs.	Comprehensive	Children in deep poverty.	Approximately \$6 million over next 3-4 years.
<p>Description: Kinship navigator programs help link grandparents and other relative caregivers to a broad range of services and supports.</p> <p>Evidence: Placement with relative caregivers offers placement in a family-like setting and can provide consistency and stability, preserving family connections and maintaining cultural customs. Numerous studies have found that children living with kin following involvement with child welfare agencies benefit from increased placement stability and are likely to experience fewer behavioral problems than their counterparts placed in general foster care.¹⁰⁶ This recommendation would help ensure that relative caregivers have access to the resources needed to provide quality care to children in their care.</p>			
11. Promote placement stability for foster and homeless youth.	Comprehensive	Primarily children and families in poverty and deep poverty, as well as children who are not in poverty. There are approximately 60,000 children in foster care in California.	<p>Estimated first-year costs of \$15 million to establish the statewide hotline and implement mobile response services.</p> <p>Estimated ongoing annual total costs of \$30 million to maintain the system.</p> <p>Costs of \$159,000 in FY 2018-19 and \$225,000 in FY 2019-20 and ongoing for two additional positions.</p>

¹⁰⁶ Rubin DM, Downes KJ, O'Reilly ALR, Mekonnen R, Luan X, Localio R. Impact of Kinship Care on Behavioral Well-being for Children in Out-of-Home Care. *Arch Pediatr Adolesc Med*. 2008;162(6):550-556.

Recommendation	Tier	Target population	Potential cost
<p>Description: Promoting placement stability for foster and homeless youth. Require county child welfare, probation, and behavioral health agencies to establish county-based Family Urgent Response Systems for the provision of mobile crisis-response services to current or former foster youth and their caregivers, and require CDSS to establish a statewide hotline, to be available 24 hours per day, seven days per week to respond to caregiver or youth calls when a crisis arises</p> <p>Evidence: Placement stability is important for children to develop healthy secure relationships⁹ and serves to reduce the potential stressors that arise from being displaced multiple times. Frequent placement moves not only compounds the issue of being separated from one's parents, but can also result in separation from siblings, relocating to a new geographical area, and experiencing a sense of not belonging; all of which can lead to distress and have a profound negative emotional impact.¹⁰⁷</p>			

¹⁰⁷ Leaters, Sonya. Foster Children's Behavioral Disturbance and Detachment from Caregivers and Community Institutions Children and Youth Services Review 24(4):239-268. February 2002.

Coordinated services

Families in poverty have an array of service needs and linking families with these support services can be challenging because of disparate eligibility rules, staff who understand just their own program, and families' lack of time to learn about, find, and apply for services they need and are eligible for. Coordinated services programs aim to combine services for parents and their children to support parent economic security, supportive parenting, and children's healthy development. By focusing on the immediate risks facing these families (such as medical conditions and income instability) and simultaneously providing parenting education or access to high quality early childhood education, coordinated services programs seek to move families out of poverty in the short-term and decrease the chance that poverty will continue into the next generation. These broad and sustained services are a response to the evidence on brief, narrowly focused programs, which have shown only modest and short-term effects.

Over the past eight years, California has invested resources in areas such as home visitation and data sharing and integration to coordinate service delivery, including:

- Senate Bill 840 (Chapter 29, Statutes of 2018), appropriated approximately \$26.9 million for January 1, 2019 through June 30, 2019 for the CalWORKs Home Visiting Initiative (CalWORKs HVI). The purpose of the HVI is to support positive health, development, and well-being outcomes for pregnant and parenting women, families, and infants born into poverty, expanding their future educational, economic, and financial capability opportunities, and improving the likelihood that they will exit poverty. Establishing a Home Visiting Initiative to support a two-generation approach to support families participating in CalWORKs.
- Data Sharing and Integration Efforts: Twelve departments within California's Health and Human Services Agency (Agency) oversee the administration of the state's largest public benefit programs (services coordinated across 58 counties, home to 39 million people). In an effort to shift data collection efforts from being "program-centric," to "client centered," the agency has identified five steps, including: formalizing data governance and leadership bodies, Establishing an Agency-wide data portal, developing agency-side global data sharing agreements, conducting record reconciliation "proof of concept," and defining "business use cases" for linked records. This effort will ultimately establish a common client identifier across historical records to generate cross-program statistical information from all twelve departments.
- In addition, California has recently provided initial investments in a comprehensive online consumer education portal for early education and expanded learning programs.

The Coordinated Services subcommittee considered how services provided throughout the taskforce domains can be combined and coordinated. Examples of programs and policies the subcommittee considered are two-generation programs, home visiting programs, Promise Neighborhoods/Promise Zones, and data sharing and integration. In Exhibit 20, the priority recommendations include streamlining applications for public assistance to more efficiently enroll families in the multiple services and programs they may qualify for at one time, expanding home visiting programs, and creating new Promise Neighborhoods throughout the state.

Exhibit 20. Coordinated services recommendations

Recommendation	Tier	Target population	Potential cost
1. Create a single application for public assistance (ex. within the Single Statewide Automated Welfare System/SAWS)	Immediate	Children and families in poverty and deep poverty.	Low millions for development and coordination. Unknown, potentially major IT costs to facilitate integration.
<p>Description: Institute a “no wrong door”, single application for eligibility of public assistance (including housing, child care, CalWORKs, CalFresh, Medi-Cal, Supplemental Nutrition Program for Women, Infants, and Children (WIC), the Earned Income Tax Credit (EITC), CalEITC, school meals, and more). This streamlined single point of entry to access public benefits could become a national model for states to more efficiently enroll families in benefits. This policy also builds on AB2960¹⁰⁸ that was just signed into law by the Governor, and which creates a single portal for child care and development programs, including program and eligibility information, the opportunity to connect with resource and referral agencies and providers, the ability to use an online eligibility screening tool in order to assess eligibility for services, a way to link to local child care resource and referral agencies and alternative payment programs for additional assistance in selecting and assessing child care, and access to placement on waiting lists for local subsidized child care programs. Technology should be utilized to expand outreach regarding availability of these services. As part of development and implementation, access issues must be addressed including language access and the lack of access to computer-based applications and information portals for families in poverty and deep poverty.</p> <p>Evidence: The largest social safety net programs kept an estimated 7.8% of Californians out of poverty in 2016. Yet participation in these programs is uneven. For example only 70% of eligible Californians received CalFresh benefits (which are largely federally funded) in 2015, while the number of California earned income tax credit claims in 2015 were less than one-half the amount that had been anticipated in the budget.¹⁰⁹ A key way to improve participation is through a single application system that links an individual at a single point of entry to all services that he or she may be eligible for. These programs include CalFresh, CalWORKs, the federal EITC and CalEITC, the Child Tax Credit (CTC), Supplemental Security Income (SSI/SSP), General Assistance (GA), federal housing subsidies, WIC, and school meals. CalFresh and the combined EITCs lowered the poverty rate most, by 2.1 and 2.0 percentage points, respectively. CalWORKs lowered the rate by 1.0 point.¹¹⁰</p>			
2. Expand voluntary home visiting for families in deep poverty	Immediate	Children with families in poverty and deep poverty.	Additional state funding starting in tens of million and rising to over \$1.5 billion per year. (Total expenditures may eventually exceed \$2 billion annually, but a portion could be eligible for federal funds.)

¹⁰⁸ CA AB2960 | 2017-2018 | Regular Session. (2018, September 27). LegiScan. Retrieved October 08, 2018, from <https://legiscan.com/CA/bill/AB2960/2017>.

¹⁰⁹ Caroline Danielson, “The California Food Assistance Program.” Public Policy Institute of California. February 2018 and “California Earned Income Tax Credit Education and Outreach,” Legislative Analyst’s Office, May 8, 2018.

Recommendation	Tier	Target population	Potential cost
<p>Description: Expand voluntary evidence-based home visiting for low-income families living in deep poverty who are expecting a new baby and/or parenting a child under two years of age.</p> <p>Evidence: Research shows that home visiting improves cognitive and social development, family safety, parenting, mental health, health behaviors and outcomes, and decreases reliance on public assistance.¹¹¹</p>			
3. Create 20 new Promise Neighborhoods throughout California	Foundational	Focus on children and families in poverty and deep poverty but would have positive impacts on other children and families in the designated neighborhoods, without regard to poverty status.	\$100 million annually, assuming \$5 million per promise neighborhood.
<p>Description: A Promise Neighborhood uses a place-based approach to saturate the target community with cradle-through-college-and-career solutions, including early childhood education, K-12 academic support, college and career readiness, and family supportive services. Promise Neighborhoods tailor their specific set of cradle-to-college-and-career solutions to the local context, but each share the following characteristics: results-driven focus on impacting population-level results; place-based to focus on a specific high need geography; collective impact is achieved through partnerships; the model is community-powered to address local needs and build on local strengths; it relies on both public and private investments and aligns funding streams to achieve shared outcomes; the model is equity-focused and explicit in addressing disparities by race, ethnicity, gender, income, immigration status, or other factors; and most importantly, Promise Neighborhoods implement a comprehensive cradle-to-college-and-career continuum that addresses all of a family's needs to help them move out of poverty.</p> <p>Evidence: Evidence from five federally funded Promise Neighborhoods in California (collectively called the CA Promise Neighborhood Network) demonstrates the effectiveness of the model. For example, LA Promise Neighborhood high schools have more than doubled the proportion of students who graduate "college ready" (meeting the requirements for UC/CSU admissions) – from 31% in 2013 up to 68% in 2017.</p>			
4. Strengthen integration and coordination of key state agencies to ease data sharing among education, human services, public safety, health, and workforce organizations.	Foundational	Primarily children and families in poverty and deep poverty, but also would impact those at risk of poverty but not in poverty.	Low millions for planning and development costs in each area. Potentially major IT costs in future.

¹¹¹ First 5 LA. (n.d). Research Shows Home Visiting Works. Retrieved from <http://homevisitingla.org/wp-content/uploads/2017/05/LACPECHVC-First5LA-BOS-LABBN-Home-Visiting-One-Pager.pdf>.

Recommendation	Tier	Target population	Potential cost
<p>Description:</p> <p>Multi-agency MOU: Integrate services of the main state agencies that have most responsibility for reducing child poverty by developing a MOU. The multi-agency MOU could both create new programs, as well as leverage existing state programs/funding. This may include giving preference on funding opportunities to designated Promise Neighborhoods or other high-poverty geographies, offering technical assistance, or convening communities of practice on specific topics.</p> <p>Coordination across state and local workforce and training programs: Strengthen connectivity and coordination of workforce and training programs at the local and state level; for example, provide funding to support coordination of services for populations with barriers to employment, such as homeless individuals and families. Require shared responsibility for outcomes to ensure that programs affecting relevant individuals learn to work outside of operational silos and programmatic funding streams.</p> <p>Early Childhood Data Systems: Integrate and improve the ability to link and navigate between early childhood and other data systems to track and evaluate outcomes for children participating in subsidized child care and early learning opportunities, strengthen services to individual children and cohorts, as well as track the reach and impact of programs, starting with establishing a unique identifier for children before school entry and reestablishing a Centralized Eligibility List. Use the data systems to support continuous quality improvement and to link children living in deep poverty and poverty with comprehensive services (for example, developmental screenings, early intervention, home visiting).</p> <p>Improve data collection practices to identify children with incarcerated parents: Recommend that the state legislature mandate and fund data collection practices at local and county jails and intake and service planning assessments for all child and youth-based service delivery systems to better capture the number of children that are impacted by adult incarceration. The goal would be to then use that data to drive increased resources and better practices within local governments to address the needs of children with an incarcerated parent.</p> <p>Improve juvenile justice data systems: California's largely local juvenile justice system is supported by poor statewide data infrastructure and inconsistent data collection and reporting practices, which inhibit the state's ability to make data-driven decisions about reforms. Fully fund recommendations made by the California Juvenile Justice Data Working Group in 2016 to replace the Juvenile Court and Probation Statistical System (JCPSS), consolidate state-level data collection in one agency, expand range of outcome data collected, and establish a web-based statewide juvenile justice data clearinghouse.¹¹²</p> <p>Data Sharing: Enact legislation to facilitate and ease data sharing among state and local agencies. The data system should include a population spine based on merging tax, vital records, and homeless data as well as program-specific data that can then be "hung" off this spine (e.g., education, criminal justice, social program participation). This system may be modeled on efforts such as the Silicon Valley Data Trust, which is a three-county effort to develop a shared data system that includes school districts, juvenile justice, case management entities, mental health, public health, and social services. State and local agencies included in the data sharing agreement would each export their individual-level data into the shared system to be aggregated across all partnering agencies, providing a more holistic view of individual and family needs. For example, a shared data system could flag risk factors across data sources. For a youth in the juvenile justice system, the system could look at their academic level to determine whether they should be placed back in school or find an alternative education option, while also flagging any mental health issues that need to be addressed for that individual.</p> <p>Evidence: Powered by Data compiled a series of case studies that illustrate the benefits, risks, and conditions for successful data sharing in the social service sector.¹¹³</p> <p>In 2016, 16 federal agencies signed a shared MOU to collaborate and direct resources toward federally designated Promise Zone communities. This has led to increased federal investments in these high-need, high-poverty communities, demonstrating the effectiveness of this proposed policy in directing resources to address childhood poverty. For example, the Los Angeles Promise Zone has secured over \$314 million in federal funds from over a dozen different agencies to support efforts aimed at reducing poverty.</p> <p>One of the greatest needs within the policy community lies in obtaining better records of the number of children with incarcerated parents. Information about these children, their caregivers, and their needs should be systematically solicited, recorded, and shared to design effective services." (La Vigne, N., Davies, E., & Brazzell, D. (2008). Broken bonds: Understanding and addressing the needs of children with incarcerated parents. Washington, DC: The Urban Institute. Retrieved from http://www.urban.org/UploadedPDF/411616_incarcerated_parents.pdf</p> <p>The California Juvenile Justice Data Working Group's report, Rebuilding California's Juvenile Justice Data System:</p>			

¹¹² California Juvenile Justice Data Working Group. (2016.) Rebuilding California's Juvenile Justice Data Systems: Recommendations to Improve Data Collection, Performance Measures and Outcomes for California Youth. Report to the Legislature. Retrieved from <http://www.bscc.ca.gov/downloads/JJDWG%20Report%20FINAL%201-11-16.pdf>.

Recommendation	Tier	Target population	Potential cost
<p>Recommendations to Improve Data Collection, Performance Measures and Outcomes for California Youth, makes the case for improving these data systems.</p> <p>Coordination of these programs is often cited (anecdotally and in qualitative analyses) as a challenge for effective and efficient workforce programs. Indeed, each new version of the federal workforce program inches closer toward integrating disparate systems but there remains opportunity for faster progress.</p>			

¹¹³ Powered by Data. (2018.) Maximizing Impact through Administrative Data Sharing. Retrieved from <https://static1.squarespace.com/static/5623f0e8e4b0126254053337/t/5b2039890e2e72c2ed5fa1a0/1528838538348/Public+Briefing+Document+-+Admin+Data+-+June+12+2018+-+Updated.pdf>.

Recommendations to build data infrastructure and systems to measure progress

The Lifting Children and Families Out of Poverty Task Force is mandated to establish “a specific set of near-term, intermediate term, and long-term benchmarks that can be used to measure the state’s progress toward the goal of addressing child poverty.” The purpose of this section of the report is to describe how that mandate should be met.

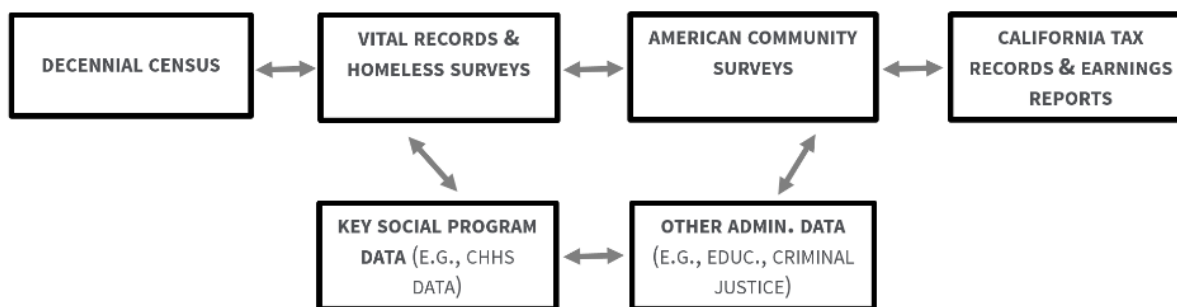
Data, evidence and benchmarks

The key backdrop here is that California, like most states, does not have the data infrastructure needed to make policy decisions on the basis of high-quality evidence on trends and program effects. As it stands, much of California’s anti-poverty policy is developed and assessed without adequate evidence, with the result that it’s difficult to know whether anything approaching the optimizing mix of programs is in play. This state of affairs, if allowed to persist, will make it difficult to monitor whether the reforms coming out of the AB1520 process are working, to predict the equilibrium level of poverty under the AB1520 reforms, and to undertake counterfactual assessments of the effects of possible changes in policy.

Although these are formidable problems, the State has an opportunity to overcome them by building a comprehensive panel of individuals with data merged from the California Franchise Tax Board, the U.S. Census Bureau, the agencies making up California Health and Human Services, and other key administrative sources. The resulting dataset will make it possible to monitor the effects on child poverty of new and existing anti-poverty programs and interventions.

The proposed new panel is represented schematically in Exhibit 21. The data sets shown in the top row in this figure will, when linked, allow us to represent the full population of California that is “at risk” of program participation. The second row refers to the key data sets that index various types of program participation (e.g., CalWORKS, CalFresh) and that therefore allow us to examine the effects on poverty of exposure to these programs. The panel will thus be comprehensive in the sense that it includes individual-level data on a wide range of outcomes (e.g., education, employment, earnings, poverty), program participation (e.g., EITC, TANF), and institutional participation (e.g., incarceration). It will take the form of a long-running panel that covers an individual’s full life course as well as that of her parents and children. This long-running panel will make it possible to examine early-childhood effects, intergenerational effects, and related long-term effects that recent evidence shows are often very important in evaluating programs.

Because this panel will be continuously refreshed as additional administrative data become available, it can be used to monitor – every year – the evolving short-run and long-run effects of new and existing programs. Before any analyses of the panel are allowed, all identifying information will of course be stripped off, and statistical averages will only be released after a full disclosure review is completed to ensure that there is no opportunity for re-identification. The data analyses will occur within secure facilities that meet very stringent restrictions and protocols (such as those outlined by the Commission on Evidence-based Policymaking).

Exhibit 21. Schematic for new administrative data panel

The development of the proposed data panel will be facilitated by new legislation mandating data-sharing among state and local agencies (per the Coordinated Services recommendations). The top row of Exhibit 21 is currently being developed in an ongoing collaboration involving the Stanford Center on Poverty and Inequality, the U.S. Census Bureau, and the California Franchise Tax Board (and funded by the James Irvine Foundation and the Blue Shield of California Foundation).¹¹⁴ The lower row in Exhibit 21 is currently being developed in an ongoing collaboration between California Health and Human Services and the Children’s Data Network. If these two initiatives are joined up, bolstered with additional administrative data sets, and regularized with annual refreshments of new data, the schematic represented in Exhibit 21 can be fully realized.

Using the data for system and program monitoring

Even with this panel in place, the task of developing a monitoring system is still a difficult one, in part because most anti-poverty programs have a twofold effect on (a) the poverty status of parents, and (b) the poverty status of their children when they grow up. The EITC, for example, has been shown to reduce poverty in the parental generation by increasing their disposable income (i.e., the “mechanical effect” of the credit itself) and by increasing their labor supply and earnings (i.e., a “behavioral effect”). It has also been shown, however, to increase the earnings of their children by reducing the incidence of low birth weight, raising math and reading scores, and increasing college enrollment rates.¹¹⁵ It follows that any evaluation of a program must take into account its effects on the children as well as the parents.

The second main problem that must be solved is that, because the effects on the second generation take a long time to reveal themselves, there is no alternative but to develop a series of “leading indicator” benchmarks that indicate whether a birth cohort exposed to a new intervention is faring well relative to past pre-intervention cohorts. This point may be illustrated by examining how the proposed ramp-up in home visiting programs (see Coordinated Services

¹¹⁴ California Juvenile Justice Data Working Group. (2016.) Rebuilding California’s Juvenile Justice Data Systems: Recommendations to Improve Data Collection, Performance Measures and Outcomes for California Youth. Report to the Legislature. Retrieved from <http://www.bscc.ca.gov/downloads/JJDWG%20Report%20FINAL%201-11-16.pdf>

¹¹⁵ Powered by Data. (2018.) Maximizing Impact through Administrative Data Sharing. Retrieved from California Juvenile Justice Data Working Group. (2016.) Rebuilding California’s Juvenile Justice Data Systems: Recommendations to Improve Data Collection, Performance Measures and Outcomes for California Youth. Report to the Legislature. Retrieved from <http://www.bscc.ca.gov/downloads/JJDWG%20Report%20FINAL%201-11-16.pdf>

Recommendation #2) could be evaluated. Although ultimately one will want to examine whether the children exposed to these programs have lower poverty rates when they are adults, it is of course untenable to delay the evaluation until 20-25 years after the exposure. It is instead useful to proceed by developing a series of leading indicators, which are measured during childhood but are highly correlated with adult poverty. Leading indicators will allow us to assess whether the exposed birth cohorts have superior outcomes in early, middle, and late childhood. By merging vital records with tax data, we can quantify the relationship between parental income and low birth weight, the latter measure serving here as a well-validated omnibus assessment of child health at the point of birth. As shown in Exhibit 22, the expectation is that, after the ramp-up, children raised in low-income households will have lower rates of low birth weight. If home visiting is delivering as anticipated, the cohort of exposed children will be expected to go on to evince superior outcomes in middle childhood (e.g., higher test scores), late childhood (e.g., higher rates of high-school graduation), and early adulthood (e.g., lower poverty rates).

The same approach can be used to assess any of the proposed AB1520 reforms. For many of the proposed cash or near-cash interventions (e.g., child tax credit, earned income tax credit, CalWORKs grants, child care subsidies), any expansion in benefits will generate immediate effects on the poverty standing of the adult recipients (absent any offsetting behavioral effects), but the second-generation effects on the children exposed to these benefits will likely be more important. It is accordingly critical to develop a monitoring system, such as the one proposed here, that allows for assessments of second-generation effects. These effects may often be evaluated by exploiting quasi-experimental approaches that leverage differential exposure (e.g., exploiting differential rollout).

In Exhibit 22, some of the key benchmark indicators are listed, although obviously this list is far from comprehensive. The research literature has long emphasized such intermediary benchmarks as birthweight, access to healthcare, early childhood education, test scores, grades, high-school graduation, access to vocational training and college, and access to high-quality and high-amenity neighborhoods. Because the long-run effects of cash, near-cash, and service-based interventions are typically mediated through these intermediary benchmarks (albeit only partially), they will allow us to secure an early reading of the effectiveness of any new anti-poverty investments.

The benchmark analyses described here will of course have to be carried out for each of the many demographic groups comprising California's population. Because of ongoing bias, labor market discrimination, and related institutional inequalities, it will typically be necessary to monitor program effects separately by gender, racial and ethnic status, immigration status, and other demographic groupings. Although racial and ethnic information are not available in tax returns and earnings reports, these breakdowns will be made possible by linking to the Decennial Census and the ACS, both of which have the requisite data.

Exhibit 22. Illustrative examples of leading indicators

EARLY CHILDHOOD

EFFECT OF PARENTAL INCOME ON EARLY HEALTH (E.G., LOW BIRTHWEIGHT)

EFFECT OF PARENTAL INCOME ON ACCESS TO HEALTHCARE

EFFECT OF PARENTAL INCOME ON ACCESS TO HIGH-QUALITY EARLY CHILDHOOD EDUCATION

LATE CHILDHOOD

EFFECT OF PARENTAL INCOME ON EDUCATIONAL ACHIEVEMENT (E.G., TEST SCORES, GRADES)

EFFECT OF PARENTAL INCOME ON SCHOOL QUALITY (E.G., VALUE-ADD MEASURES)

EFFECT OF PARENTAL INCOME ON EDUCATIONAL OUTCOMES (E.G., DROPOUT, HS GRADUATION)

EARLY ADULTHOOD

EFFECT OF PARENTAL INCOME ON ACCESS TO VOCATIONAL TRAINING AND COLLEGE

EFFECT OF PARENTAL INCOME ON LABOR FORCE PARTICIPATION, EARNINGS, DEEP POVERTY, POVERTY

CROSS-CUTTING ALL STAGES OF LIFECOURSE

EFFECT OF PARENTAL INCOME ON NEIGHBORHOOD QUALITY

It is relatively straightforward to monitor the immediate and behavioral effects of programs and interventions on adult poverty (and, by implication, the poverty status of their children). It is increasingly clear, however, that cash and near-cash interventions (e.g., EITC, CTC, CalFresh) have profound long-run effects on children, with the implication that any serious effort at evaluating such programs and their overall payoff must take those long-run effects into account.

This suggests a monitoring approach that begins with the birth cohort – all children born in California in a given year – and then tracks the opportunities available to those children as they pass through the institutions that prepare them for later life including the labor market (e.g., neighborhoods, schools). With each successive year, some of these children will die or will leave the state, while others will move into California (i.e., “immigrants”) and thus join those who were born here. For natives and immigrants alike, the goal is to develop a set of intermediary measures that reveal the extent to which new and existing anti-poverty programs affect (a) the human capital investments made in the affected children, (b) the early achievements of those children, and (b) their subsequent earnings and income. By monitoring trends in these indicators, we can assess the performance of our interventions at each of the main life course stages, thereby establishing where progress has or hasn’t been made and where additional policy or programming might be needed.

These analyses in no way exhaust the many opportunities opened up by building the linked administrative panel described here. The panel could be further used to facilitate case management, to predict who is at risk of poverty, to develop “precision interventions” that offer services to those who are most at risk, or to build static or dynamic models of the effects of new programs on economic opportunity. Although these are very ambitious and attractive uses, an appropriate starting point is the simpler and more tractable benchmarking analyses described here.

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APPENDICES

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APPENDIX A

POVERTY DEFINITIONS

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Poverty in California can be calculated using three different measures: (1) the U.S. Official Poverty Measure (OPM); (2) the Supplemental Poverty Measure (SPM); and (3) the California Poverty Measure (CPM). These indices vary based, primarily, on the extent to which they incorporate government programs and the cost of living when determining the poverty threshold. Deep poverty is defined as income that is half of the poverty threshold. We will discuss each of the three measures below (summarized in Exhibit A.1).

The U.S. Official Poverty Measure: The U.S. Census Bureau has used the official poverty measure (OPM) to track the national poverty rate since 1959. The measure is constructed in two parts. First, the Census Bureau calculates a poverty threshold and then it calculates families' incomes to compare against the threshold and estimates the number of families living in poverty. Under the OPM, the threshold is set at three times the cost of USDA's "economy food plan" in 1963, adjusted for inflation using the Consumer Price Index.¹¹⁶ A multiplier of three is used because when the OPM was developed households allocated roughly one-third of their after-tax income to food. Thus, the measure estimates that a household needs at least three times the cost of a minimal diet plan to be living above poverty.¹¹⁷ The threshold is adjusted to account for family size, family composition, and age of the householder. To calculate household income, the OPM uses total pre-tax cash income, excluding capital gains or losses, tax credits (like the EITC), and noncash benefits, such as SNAP and housing subsidies, for all related individuals living together. (Pre-tax income was used because data on after-tax income was unavailable at the time.)¹¹⁸

The Supplemental Poverty Measure: The Supplemental Poverty Measure (SPM) was designed to address important changes in household income, expenses, and composition, using new data and methods. First, the SPM poverty thresholds provides a more nuanced, updated estimate of household expenditures. The threshold is based on a 5-year moving average of the 33rd percentile of out-of-pocket spending on FCSU for units with two children multiplied by 1.2. The multiplier adds 20 percent to account other necessary expenses. (FCSU averages are calculated by the Bureau of Labor Statistics using the quarterly Consumer Expenditure Survey.) In addition to adjusting for family size and composition, the SPM also accounts for geographic differences in housing costs by housing status (homeowners with mortgages, homeowners without mortgages, and renters). Second, the SPM makes major changes to income calculations. It includes refundable tax credits and non-cash benefits, which represent a substantial government investment in poverty reduction that is missing from the OPM. It also subtracts taxes, work expenses (for example, transportation and child care), medical expenses, and child support paid to another household, which became an increasing share of households' budgets

¹¹⁶ Johnson, D.S., and Timothy M. Smeeding. 2012. A Consumer's Guide to Interpreting Various U.S. Poverty Measures. Madison, WI: Institute for Research on Poverty, Fast Focus no.14-2012.

¹¹⁷ Fisher, Gordon M. 1997. The Development of the Orshansky Poverty Thresholds and Their Subsequent History as the Official U.S. Poverty Measure. The U.S. Census Bureau. Accessed from <https://www.census.gov/library/working-papers/1997/demo/fisher-02.html>. Accessed on May 18, 2018.

¹¹⁸ U.S. Census Bureau. (n.d.) How the Census Bureau Measures Poverty. Accessed from <https://www.census.gov/topics/income-poverty/poverty/guidance/poverty-measures.html>. Accessed on August 11, 2017; Johnson, D.S. and Timothy M. Smeeding. 2012. A Consumer's Guide to Interpreting Various U.S. Poverty Measures. Madison, WI: Institute for Research on Poverty, Fast Focus no.14-2012.

since the OPM was developed.¹¹⁹ Finally, it also accounts for the dramatic rise in cohabitation by counting income from all individuals living in the household, regardless of family relation.

One limitation of the SPM is that, while the OPM can be reconstructed back to 1959, it is challenging to reconstruct and analyze the historical trends of the SPM before 2011.¹²⁰ Both measures are created from the Current Population Survey (CPS), which takes a representative sample of U.S. households, excluding some individuals who may be living in poverty, such as individuals who are homeless not living in shelters, military personnel who don't live with at least one civilian adult, and people living in institutional settings.¹²¹

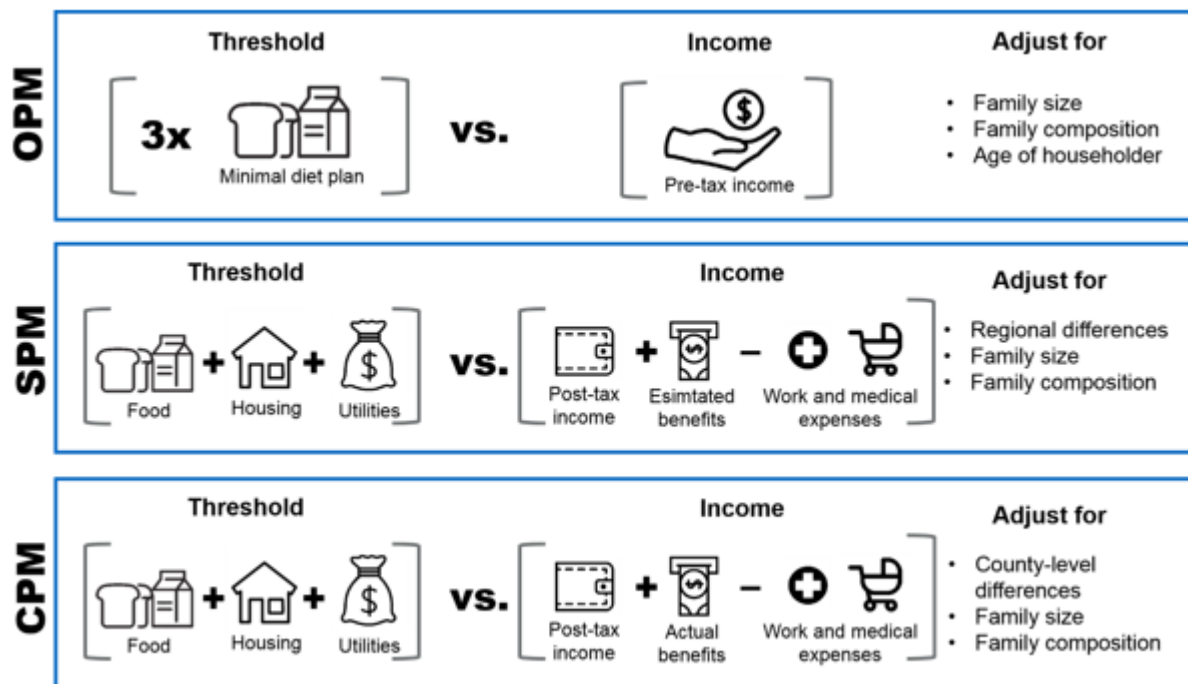
The California Poverty Measure: The California Poverty Measure (CPM) was developed by the Public Policy Institute of California and the Stanford Center on Poverty and Inequality to provide a comprehensive poverty measure that reflects the specific conditions of the state. The CPM builds on the SPM in two ways. First, income and non-cash benefits are systematically underreported to the Current Population Survey, which is the data source the Census Bureau uses to construct the SPM. The CPM overcomes benefit underreporting by using state-wide data enrollment data from CalWORKS and CalFresh, rooting the CPM in actual enrollment. Second, given the wide variability in the state's cost of living, it extends the SPM's cost of living and housing status adjustments to create county-level poverty thresholds.¹²²

¹¹⁹ Fox, Liana. 2016. The Supplemental Poverty Measure. Washington, DC: U.S. Census Bureau. Accessed from <https://www.census.gov/library/publications/2017/demo/p60-261.html>. Accessed on May 18, 2018; Johnson, D.S. and Timothy M. Smeeding. 2012. A Consumer's Guide to Interpreting Various U.S. Poverty Measures. Madison, WI: Institute for Research on Poverty, Fast Focus no.14-2012.

¹²⁰ Johnson, D.S. and Timothy M. Smeeding. 2012. A Consumer's Guide to Interpreting Various U.S. Poverty Measures. Madison, WI: Institute for Research on Poverty, Fast Focus no.14-2012.

¹²¹ Center for Poverty Research. (n.d.) How is Poverty Measured in the United States? University of California, Davis. Accessed from <https://poverty.ucdavis.edu/faq/how-poverty-measured-united-states>. Accessed on May 18, 2018.

¹²² Bohn, Sarah, and Caroline Danielson, Matt Levin, Marybeth Mattingly, Christopher Wimer. (2013.) The California Poverty Measure: A New Look at the Social Safety Net. San Francisco, CA: Public Policy Institute of California. Accessed from http://www.ppic.org/content/pubs/report/R_1013SBR.pdf. Accessed on May 18, 2018.

Exhibit A.1. Poverty definitions explained

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APPENDIX B

SUPPORTING MEMORANDA

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To support the task force in formulating recommendations in four policy areas, Mathematica Policy Research prepared memoranda summarizing the key policy problems, evidence on the success of prior policies and programs, and some considerations for making new recommendations. These memoranda can be found online as follows:

- Coordinated Services for Parents and Their Children Memorandum:
http://www.cdss.ca.gov/Portals/9/CalWORKs/CA%20poverty%20task%20force_coordinate%20services%20memo_052218_for%20dissemination.pdf?ver=2018-05-23-153541-920
- Early Childhood Memorandum:
http://www.cdss.ca.gov/Portals/9/CalWORKs/CA%20poverty%20task%20force_early%20childhood%20memo_052218_for%20dissemination.pdf?ver=2018-05-23-153703-840
- Social Safety Net Memorandum:
http://www.cdss.ca.gov/Portals/9/CalWORKs/CA%20poverty%20task%20force_safety%20net%20memo_052218_for%20dissemination.pdf?ver=2018-05-23-153815-550
- Juvenile Justice Memorandum:
http://www.cdss.ca.gov/Portals/9/CalWORKs/CA%20poverty%20task%20force_juvenile%20justice%20memo_052208_for%20dissemination.pdf?ver=2018-07-11-150952-313

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APPENDIX C

INPUT FROM COMMUNITY MEETINGS

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From June through September of 2018, Dr. Cheryl Grills (Psychology Applied Research Center, Loyola Marymount University) and her associate, Karren Lane, (a J.D. and community organizer), led a series of community meetings in Los Angeles, Fresno and Oakland to engage families living in poverty from various communities in a conversation to gain their insight and advice on how best to tackle deep poverty and the methods to address it. These meetings were based on Community Based Participatory Practice, a process that helps develop consensus for decision-making with an explicit focus on equity. This approach helped to increase community members' direct representation in decision-making and social reform efforts.

**Lifting Children Out of Poverty Task Force
Oakland, Fresno & Los Angeles Community Meetings
Summary of Common Themes
Facilitated by Karren Lane and Cheryl Grills**

The Lifting Children Out of Poverty Task Force held meetings in Los Angeles, Fresno and Oakland with community members. Participants were recruited by community-based organizations and identified as living in poverty. The meeting in Los Angeles was held on June 7, 2018 at St. John's Well Child & Family Center with ninety-five adults and youth in attendance and representation from twenty-one community and faith-based organizations. The second community meeting was held at the Fresno Economic Opportunities Commission on June 21, 2018 with seventy-four community members in attendance and representation from eight-teen community-based organizations, including direct service organizations and law enforcement. Community members and representatives of various community-based organizations attended the final meeting in Oakland on September 20, 2018.

Rather than provide an interpretation of what the community members shared, we present near verbatim points conveyed during the Los Angeles, Fresno and Oakland meetings. The thoughts, recommendations and feedback from the individuals and families in attendance are organized below.

I. What is your vision for a better California?

Vision ideas fell into five broad categories:

**Sense of Community, Community Life and Conditions, and Shared Understanding
Community Issues**

- Working Together; Solid understanding of community
- Inclusion of LGBTQ families and children
- Opportunities for all
- More Green Space (Parks for all)
- Environmental Safety
- More Community Based Programs; Affordable after-school programs
- Loving each other as we love ourselves. Increase Community Love
- "No decisions made about us without us."

- End Racism
- Elected Leadership: It's a political decision if you get to end poverty or not. We need to have committed elected officials to change.

The Distribution of Wealth

- No Poverty
- Livable wages; Jobs for family needs; Universal Income; Closing income gap; Better opportunities to get jobs; 1 job per person and no need to have multiple jobs to care for family
- Williamson Act needs to go
- Corporations should pay their fair share
- Tax system in the state is problematic; people who run large corporations accrue massive amounts of wealth, then make us believe they are doing us a favor—they are the ones deciding the policies and how the money is going to be spent.
- It comes down to good tax policy.
- Clothing; anything basic necessities human beings need should be free; everybody should have their fair share.

Education issues

- Keeping Kids Safe; School Safety
- Equal Educational Justice; Access to quality Education for all
- Mark-Brown's master plan for Higher Ed is free education for all of California
- Multi-cultural education and cultural history in classrooms are needed

Housing and Healthcare

- Affordable housing for the homeless
- Low-income Housing
- Rent Control
- Affordable Healthcare
- Access to food and health

Public Systems Reform

- Child Welfare: Strengthen family reunification efforts following incarceration, have social workers who have a heart to support foster kids/adult; more support for foster kids
- Public Safety: Address and remove institutionalized violence; Better Policing and a reduction of Police Harassment; Better educated police
- Criminal Justice: People's records affect their whole life cycle and the life of their children.

- Juvenile Justice: Juvenile records affect long-term prospects. Important problem for records for juvenile offenders. Records are not sealed until you're 30. Record sealing needs to happen a lot faster (e.g., working with a kid who got involved at age 18, wants to become a firefighter but unsure if he'll be able to given his record).

II. What are the daily challenges you face living in poverty?

Some challenges were specific to the Central Valley and the remainder cut across both the Los Angeles and Fresno town halls. In addition, specific challenges related to foster youth and education emerged.

Specific to Central Valley

- Food and transportation and even clean drinking water is an issue in the Central Valley.
- Amazon is a difficult business in the Central Valley that contributes to pollution.
- Not enough full-time work, as a result it is difficult to make ends meet.
- No water in the Central Valley, increased pollution, no cultural sensitivity from police, horrible criminal justice system (Clovis Police arrest kids). Police should not have to act as social workers.
- Inadequate access to personal need items for poor families in rural areas.

General

- Inability to complete tasks, always struggling to get a dollar or pay a bill, don't have time or energy to develop yourself or build community. Life focus is the daily challenge of trying to survive.
- Generational poverty keeps access away from families. The cycle continues when there is a lack of opportunity.
- The need to address trauma experienced by children in poverty
- Public Transportation: There is poor lighting at bus stops which makes it a bit more dangerous. Difficulty obtaining [state?] identifications because of transportation

Built Environment

- Too many liquor stores and it looks like Cannabis stores will be placed in the barrios.
- Difficult to get permits to landscape.
- How to keep community clean when people are always dumping trash; trash is not picked up; see associations among trash, violence, junk cars. The challenge is that an unclean environment doesn't promote health; living near freeways, asbestos and asthma are health hazards.
- Inability to get government service to keep community clean. Look at quality of [public] services where potholes are versus where potholes are covered.

Special Population

- Foster youth face many difficulties and are treated unfairly.
- Foster youth are not serviced properly.

Education Specific

- There are bad educational opportunities and remedial services are not easily accessed. Public schools are inadequate and should be resourced properly.
- Charter Schools are not the answer.

III. Think about policies and public spending. What will it take to get closer to your vision of California?

Beyond the specific ideas shared regarding policies and public spending, the community feedback implies a series of questions for consideration in the development of policies.

(As you consider policies, how will the proposed policy affect the prevailing mindset and stigma associated with poverty; as you design the policy what opportunities will the community have to weigh in on it and after passed to contribute to discussions of impact and unintended consequences?)

(Policies are targeted but the causes of poverty are complex and multifaceted. What is the relationship between the policy and the root causes, multidimensional features of childhood poverty in CA?)

(To what extent will any proposed policy separate the needs of the child from the needs of the family?)

(Will any of the policy proposals impact the chronic disregard of community voice and participation, cultivation of community leadership, and reinforcing the community safety net that extends beyond government social service programs?)

Specific feedback related to policies and public spending fell within the following six thematic areas:

1. Reframing the Discussion on Poverty

Think boldly about leadership and how we prioritize education. More money needs to be spent on the cost of educating our children and we need to value education.

- California has the highest rate of child poverty in America. Need more awareness and attention driven to this statistic.
- How do people know what will make their lives better if they have never had better? Government programs will not improve every circumstance.
- Need to change the poverty mindset and help people lift themselves out of poverty.
- No one wants the stigma of being labeled as poor.

- Mentorship to motivate those in poverty.
- More financial help to nonprofit organizations.
- Involve community in making the changes.
- Funding for youth to be involved in their own communities.
- Need community programs to raise leaders in the community
- Resources are available for the children that aren't provided for parents. [Keeps parents and therefore family in poverty.]
- All efforts need to be comprehensive
- Oakland in particular recommended serious consideration of an overall tax reform process (in contrast to Fresno and Los Angeles where Prop 13 was specifically noted).

2. Employment and Family Income

- **Financial literacy & management** classes for entire family. Teach children about finances and the value of money and savings; teach them the value of FICA scores, financial literacy etc. Parent and children can learn about financial literacy together.
- **Increased Employment Opportunities:** People should have their own choice to make their own money and not depend on government assistance. More resources for people looking for employment. Need more para-professionals that are recognized by the community. [People] with lived experience work as parent advocates but low salary. [Increase] access to trade and good union jobs.
- **Entrepreneurship:** Education and subsidized funding for small businesses.
- **Families Impacted by Incarceration:** The formerly incarcerated can't find jobs. Incarceration and eviction rates seem to be correlated.
- **Wages & Work Conditions:** You can work for hours but still not make ends meet. Increased wages and more regulations—large companies need to provide more for employees.
- **Adult Education & Job Preparation:** Single parents in college may not be considered poor. Need more support for parents in college. Lower the cost of higher education. [Increase] number of apprenticeship programs.

3. Health and Nutrition

- **Health Education:** For parents, health issues include bad nutrition; Health issues --children are not able to focus on schools.
- **Access to Healthy Food:** Food given to children in low-income neighborhoods does not have good nutritional value and they receive subpar poorly prepared foods; Need more cooks and diversity in school food.
- **Subsidized Food Programs:** Need to increase the age range that WIC currently covers. It is now ages 0 – 5. Suggestion to increase the age limit to at least 7.

- **Sustainable Solutions:** Systems change is needed to address housing and nutrition. People need to be encouraged to grow their own food and there should be a focus on improving the food that we eat.

4. Housing

- **Gentrification & Displacement:** Families in Los Angeles suffer from terrible living conditions in low-income housing. Families are being evicted without any new home. We see some [new] buildings as luxury that parents are unable to pay. Families are living in cars and trying to work for a living. Children have to change schools and are suffering due to stress of being evicted. Rent control laws need to be expanded [to prevent eviction].
- **Limited Affordable Housing:** Affordable housing is hard to find due to criteria and qualifications do not match the circumstances of tenants of low-income housing. There needs to be an acknowledgement that there are serious barriers to affordable housing.
- **Homelessness:** Homelessness is a big factor; one participant was locked inside the HUD department due to waiting so long for a home voucher. Encouraged to go to mental health instead even though they were not qualified for mental health. Dollars should be put toward homelessness first as children cannot think and perform while struggling with the stress of homelessness.
- **Section 8:** Section 8 and rent control resources need a wider scope. More affordable housing needs to be geared toward the needs of the community. Need more workers and assistance in the Section 8 affordable housing sector.
- **Public Housing:** Purchase foreclosed homes to renovate them for families in poverty.

5. Safety and Community

- **Policing:** Police officers do not police their own neighborhoods. Instead departments will outsource officers from other cities and counties.
- **Justice Reinvestment:** Public safety can be ensured by increasing access to education, resources and affordable housing instead of more policing that criminalize the communities. *Shift the mindset from police-oriented practices to community enrichment practices.*
- **Child Welfare:** Kids don't want to talk to teachers or counselors out of fear they will be taken away from families; Need more support from social workers; Workers are afraid to enter the neighborhoods they are assigned to; DCFS needs more funding to address the needs of those who are ESL; Need additional support for foster youth who are suffering from mental health issues; More support is needed for relative caregivers.
- **Youth Substance Abuse:** Meth is a large problem along with school bullying. Mentorship programs are needed to help kids cope with both. Kids need coping skills to address living with parents who are addicted to Meth.

6. Youth Employment and Training

- **Community Outreach:** Increase knowledge of youth programs & more accessible to parents.

- **Mentorship Programs:** Need more mentoring and rites of passage programs. Mentorships would be helpful to assist with elevating others. There is a need for strong fatherhood programs.
- **Job Training Programs:** Youth employment and training is needed to give student's soft skills that will help them keep a job; Fast food jobs aren't available to youth because "Grandma" has to work there. Fast food jobs used to be reserved for kids; Summer Youth Employment is non-existent. Kids don't learn responsibility because jobs aren't available. This would help kids understand what it means to work and earn a living.
- **Public Private Partnerships:** Corporations need to fund internships for low-income neighborhoods to teach high school youths how to work and keep the jobs community based so that the high school students can impact their own communities.

7. Public Assistance & Social Services

- **Re-Evaluate Eligibility Criteria:** Programs are designed to keep a person destitute and does not help those who are sliding into poverty [implications for the rules and criteria of any policy you propose]; Subsidized incomes are necessary; Resources tend to overlook the parent to help the child; County has not updated the general relief amount since 1982. Crucial that focus is shifted to changing the rules of General Relief. General Relief should reflect the standards that govern the cost of living; There is a gap for those who do not qualify for social programs due to incomes designated as too high. Medi-Cal is essential for those who call in sick at their job and miss out on wages. Provide Medi-Cal for all.
- **Application Process:** Lack of transparency and access to benefits of social programs lead to participants not applying for benefits they are entitled to. Put a family resource center in every city. Reapplications for CalFresh, Medi-Cal, and other programs are wasting lots of time for people. There should be one application for all of them [public programs].
- **Child care Subsidies:** Child care subsidies are selectively allotted. If you work and have income, you are excluded from receiving services. Access to subsidized child care is difficult as the criteria do not fit for parents who are homeless. Child care costs are too exorbitant. Wages impact qualification for services.
- **Integrated & Comprehensive Services:** The need for internal collaboration across the public services systems to ensure that people are provided with better coordinated services. We need to get people who are poor and provide education, jobs and provide them wrap around family services. There should be an app to access services.
- **Foster & Transitional Aged Youth:** Extended foster care programs do not help with housing. Foster kids with kids are assumed to have health care due to having a social worker however this is an overlooked disparity.
- **Undocumented & Mixed Status Families:** Need DACA health care opportunities. Immigrants have to adjust to a different situation and conditions but without resources due to being stereotyped as immigrants who are taking things away from the community.

8. K-12 Education and Expanded Learning

- **School Climate:** Education should be extended to parents; schools need to understand and be open to inclusion of non-traditional families; Schools are not equipped to handle kids with learning disabilities.
- **Linked Learning:** Address the qualification for “21st century” jobs. Develop programs that target qualifications of employment for youth to develop skills that are competitive in the modern world.
- **Access to Quality Education:** Quality education that allows children to compete with others in subjects of mathematics, physics, science, etc.
- **Mental Health & Wellness:** Kids are suffering from undiagnosed mental health issues. Educational therapist in high school is necessary due to children suffering from mental health issues in high schools. Policies need to be established regarding adversity training in schools. It's important to understand that children and families in poverty have a great deal of traumatic experiences and that many come from trauma experiences.
- **Extended Learning Opportunities:** School breaks were established to accommodate people that worked in agriculture. We should revisit the idea of having as many breaks in school as we do now (Summer breaks, Spring breaks etc.); Using tax money to generate after school programs; Summer retention gaps persist because the cost of attending programs is expensive.
- **College Preparation:** More college prep schools are needed. Kids shouldn't know that they live in poverty. Treat kids equally. School can become a “poverty equalizer.”

APPENDIX D

ANNUAL COST ESTIMATES OF TASK FORCE RECOMMENDATIONS

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Exhibit D.1. Priority Recommendations and Annual Costs

Recommendation	Annual State Costs (Millions of Constant 2018 Dollars)										
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Social Safety Net											
Expand state EITC by raising credit for those with limited earnings.	40	80	120	160	160	160	160	160	160	160	160
Establish a targeted child tax credit (TCTC) for families in deep poverty.	290	550	1,260	1,820	2,100	2,400	2,400	2,400	2,400	2,400	2,400
Increase CalWORKs grant amounts to end deep poverty within CalWORKs. *	150 ^a	750 ^a	1,200 ^a	1,200 ^a	1,200 ^a	1,200 ^a	1,200 ^a	1,200 ^a	1,200 ^a	1,200 ^a	1,200 ^a
Early Childhood											
Raise parental leave wage replacement rates to 100 percent for low-income workers. Initially fund with balance in FPL fund.	b	b	b	b	b	b	b	b	b	b	b
Guarantee access to childcare for low-income families; add 30,000 slots in 2019-20, and 15,000 per year thereafter.	500	850	1,200	1,570	1,940	2,400	2,880	3,360	3,850	4,370	5,000
Establish a tiered reimbursement structure to incentivize, reward and retain higher levels of workforce competencies necessary to expand access and achieve positive outcomes.	c	c	c	c	c	c	c	c	c	c	c
Support workforce training and improvement.	c	c	c	c	c	c	c	c	c	c	c
Housing and Homelessness											
Protection and assistance for families using Section 8 and other rent vouchers.	7	15	15	15	15	15	15	15	15	15	15
Implement (1) rent stabilization and (2) a set of housing supply provisions in localities falling short of their low-income housing goals and/or experiencing rent increases in excess of inflation.	1	1	1	1	1	1	1	1	1	1	1

Recommendation	Annual State Costs (Millions of Constant 2018 Dollars)										
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Healthcare											
Expand Medi-Cal coverage to all adults with dependent children, up to 138 percent of the FPL regardless of immigration status	270	825	1,250	1,500	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Develop state funding mechanism to fund nonprofit federally qualified health centers	30	30	30	30	30	30	30	30	30	30	30
Education, Workforce, and Training											
Fund supportive services for low-income workforce and education program participants.	25	50	50	50	50	50	50	50	50	50	50
Ensure that the education funds allocated to serve children in poverty, foster youth and/or English Language Learners in the Local Control Funding Formula are expended on these subgroups. This must be paired with expected outcomes for educational institutions to improve the educational attainment of children living in poverty. In addition, the Legislature should reassess whether the current formula is adequate to meet the needs of students.	Depends on future actions	Depends on future actions	Depends on future actions	Depends on future actions	Depends on future actions	Depends on future actions	Depends on future actions	Depends on future actions	Depends on future actions	Depends on future actions	Depends on future actions
Prioritize parents living in poverty for workforce and training programs.	25	75	125	175	250	225	250	250	250	250	250
Special Populations											
Encourage all local governments to waive outstanding juvenile court fees and fines.	0	0	0	0	0	0	0	0	0	0	0
Create stronger statutory safeguards to protect low-income children and families from being referred to the juvenile court, prosecuted, and fined for truancy.	0	2	5	5	5	5	5	5	5	5	5
Expand the Childcare Bridge Program to meet the needs of children in foster care.	11	34	45	58	72	85	85	85	85	85	85

Recommendation	Annual State Costs (Millions of Constant 2018 Dollars)										
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Ensure adequate and appropriate housing for Transition Age Youth (TAY) and non-minor dependents.	7	21	35	49	63	70	70	70	70	70	70
Examine strategies and opportunities to increase contact visiting between children and their parents at local jails that give children the opportunity to touch and hug their parents.	0	1	2	0	0	0	0	0	0	0	0
School stability for youth that have right to remain in their school of origin.	2	5	20	30	60	60	60	60	60	60	60
Coordinated Services											
Create a single application for public assistance (ex. within the Single Statewide Automated Welfare System/SAWS)	2	3	e	e	e	e	e	e	e	e	e
Expand voluntary evidence-based home visiting for families in deep poverty	60	150	200	300	400	500	700	900	1,100	1,300	1,500
Create 20 new Promise Neighborhoods	15	30	45	60	75	90	100	100	100	100	100
Strengthen integration and coordination of key state agencies to ease data sharing among education, human services, public safety, and health organizations	2	3	e	e	e	e	e	e	e	e	e
Total, Priority Recommendations:	1,436	3,475	5,603	7,023	7,996	8,916	9,606	10,286	10,976	11,696	12,526

^a CalWORKs grant increases are consistent with 2017 budget intent language (AB 1811).

^b Costs in initial years associated with higher wage replacement, which are estimated to be about \$300 annually, are assumed to be covered by the balance in the SDI fund. Under existing law, once the excess balance is drawn down, annual costs would be covered by a modest increase in the SDI rate on employee wages. However, the Legislature could also choose to cover the costs with General Fund appropriations.

^c Total costs for tiered reimbursements, training and related quality improvements unknown. About 20 percent of the costs included in the guaranteed access estimate are for initial payments toward these goals.

^d In the course of its work, the task force developed a proposed shallow rent subsidy for all families in deep poverty. That recommendation is not included in the final report with cost estimates, because the objective of such a shallow rent subsidy would be achieved through enactment of the monthly TCTC. If a low claiming rate or monthly distribution mechanism proves to be an insurmountable problem, the shallow rental subsidy is a viable (though less cost-efficient) alternative.

^e Included are initial costs for planning and coordinating. Excluded are future costs for IT, which are unknown but could be significant.

Exhibit D.2. Other Comprehensive Recommendations and Costs

Recommendation	Annual State Costs (Millions of Constant 2018 Dollars)										
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Social Safety Net											
Align CalWORKs time limits for supportive services with federal limits.	\$35	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70	\$70
Fund summer lunch program and develop EBT pilot.	1	12	12	12	12	12	12	12	12	12	12
Expand usage of Community Eligibility Provision in California school meals.	10	30	50	70	90	100	100	100	100	100	100
Increase SNAP benefits (\$30 per family).	57	171	285	342	342	342	342	342	342	342	342
Prevent SNAP sanctions for families w/ children age 0-5.	0.5	1	0.5	0	0	0	0	0	0	0	0
Housing and Homelessness											
Expand bringing families home program statewide.	\$4	\$12	\$20	\$28	\$36	\$40	\$40	\$40	\$40	\$40	\$40
Long-term subsidies for homeless families and youth.	3.6	10.8	18	25.2	32.4	36	36	36	36	36	36
Provide eviction defense and related legal services to low-income households.	5	14	23	32	41	50	59	68	77	86	90
Housing vouchers for young adults aging out of extended foster care.	6	18	30	42	54	60	60	60	60	60	60
Healthcare											
Develop early intervention and primary prevention programs.	\$20	\$60	\$100	\$140	\$180	\$200	\$200	\$200	\$200	\$200	\$200
Reimburse non-profit health providers to provide care coordination case management.	20	60	100	140	180	200	200	200	200	200	200
Education, Workforce, and Training											
Create career pipeline opportunities for youth.	\$25	\$75	\$125	\$175	\$225	\$250	\$250	\$250	\$250	\$250	\$250
Increase access to occupational licenses and credentials.	1	0	0	0	0	0	0	0	0	0	0

Recommendation	Annual State Costs (Millions of Constant 2018 Dollars)										
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Special Populations											
Fully fund youth reinvestment program.	\$6	\$18	\$30	\$42	\$54	\$60	\$60	\$60	\$60	\$60	\$60
Facilitate post-secondary education for justice-involved and foster youth.	6	11	11	11	11	11	11	11	11	11	11
Enhanced transition support for justice involved youth.	1	3	6	8	10	11	11	11	11	11	11
Create and expand kinship navigator programs.	1	2	3	5	6	6	6	6	6	6	6
Promote placement stability for foster and homeless youth.	7	22	30	30	30	30	30	30	30	30	30
Total, Comprehensive Recommendations:	\$203	\$572	\$883	\$1,130	\$1,319	\$1,418	\$1,427	\$1,436	\$1,445	\$1,454	\$1,458
Priority Recommendations (Exhibit E-1):	\$1,436	\$3,475	\$5,603	\$7,023	\$7,996	\$8,916	\$9,606	\$10,186	\$10,876	\$11,596	\$12,426
Grand Total, Priority and Comprehensive Recommendations:	\$1,639	\$4,047	\$6,486	\$8,153	\$ 9,315	\$10,334	\$11,033	\$11,622	\$12,321	\$13,050	\$13,884

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APPENDIX E

POLICIES AND PROGRAMS CONSIDERED BY THE TASK FORCE

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Exhibit E.1. Policies and programs considered by the task force

Policy	Policy Area Summary	Policies and Programs Considered
Social safety net	California families are in poverty and deep poverty at unprecedented levels, and need immediate assistance and safety nets to meet their basic needs.	CalFresh (SNAP), WIC, Medi-Cal, CalWORKs (TANF), CalEITC, SSI
Early childhood	The early years are critical years in brain development. Programs that encourage healthy pre-natal choices and supports once children are born seek to address challenges associated with being born into poverty.	California State Preschool System, Head Start, Early Head Start, Early Head Start-Child Care Partnerships, EduCare, friend/family/neighbor care, indicators of quality including QRIS, subsidized child care, Alternative Payment Program
Housing	Californians are faced with a shortage of adequate and affordable housing which perpetuates segregation and homelessness.	Subsidized affordable housing, inclusionary zoning policy, housing vouchers, rent control, LIHEAP, homelessness
Healthcare	Expanded access is needed to ensure all Californians have health care coverage and access with greater focus on early intervention, primary prevention, and case coordination.	Medi-CAL coverage and access, community-based health services, early intervention and primary prevention programs, and coordination and case management.
Education, Workforce training	Despite efforts to provide students with the skills they need to become productive members of society, many adults need additional supports and training in order to become and remained employed. Educational programs work to ensure that students, especially students living in poverty, are provided with opportunities to try to level the playing field so that students are ready to learn and become a productive member of a skilled workforce.	Career one stop, WIOA, CalJOBS, Community College training, college preparation, access and funding, Title 1, LCFF, school lunch programs, after-school programs, summer school enrichment programs
Workforce support	Even with workforce training programs, policies and programs are needed to ensure that quality jobs are available to everyone—especially those with barriers to employment—and to ensure that people can secure jobs with livable wages and receive assistance during bouts of unemployment.	UI, minimum wage, CTC, subsidized employment, hiring credits, Work Opportunity Tax Credit, Workers Compensation
Coordinated service delivery approaches	Families in poverty have an array of service needs and linking families with these support services can be challenging because of disparate eligibility rules, staff who understand just their own program, and families' lack of time to learn about, find, and apply for services they need and are eligible for. Coordinated services programs aim to combine services for parents and their children to support parent economic security, supportive parenting, and children's healthy development.	Two-generation programs, Home visiting programs, Promise Neighborhoods, Service "hub" programs in schools and early childhood education programs
Special populations	Prevention and supports are needed for children in foster care, child welfare, and juvenile justice systems.	Foster care, juvenile justice

SNAP=Supplemental Nutrition Assistance Program; WIC=Special Supplemental Nutrition Program for Women, Infants, and Children; TANF=Temporary Assistance for Needy Families; CalEITC= California Earned Income Tax Credit; SSI=Supplemental Security Income; QRIS=Quality Improvement and Rating System; LCFF=Local Control Funding Formula; LIHEAP=Low Income Home Energy Assistance Program; WIOA=Workforce Innovation and Opportunity Act; UI=Unemployment Insurance; CTC=Career and Technical Education.