

Date of Hearing: July 2, 2019

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Eloise Gómez Reyes, Chair

SB 298 (Caballero) – As Amended May 17, 2019

SENATE VOTE: 38-0

SUBJECT: Poverty reduction

SUMMARY: Establishes, until January 1, 2039, the End Child Poverty Act of 2020 to require the California Department of Social Services (CDSS) to, beginning in 2020 and every 5 years thereafter, measure and report to the Legislature the state child poverty rate, effects of policies aimed at addressing child poverty on that rate, and progress toward ending deep child poverty by 2024 and reducing overall child poverty by 50% by 2039. Specifically, **this bill:**

- 1) Makes a number of Legislative findings and declarations regarding the rates of poverty and child poverty in California, steps taken by the Legislature and Governor to address California's poverty rate, and the work of the Lifting Children and Families Out of Poverty Task Force (Task Force), as specified.
- 2) States Legislative intent in enacting the provisions of this bill to commit to achieve the poverty-reduction goals of the Task Force and that California maintain an effective system for measuring progress towards meeting those goals and, further, states Legislative intent to establish the specific goals of ending deep child poverty by 2024 and reducing overall child poverty by 50% by 2039, as specified.
- 3) Requires, beginning in 2020, and every five years thereafter, CDSS to conduct an analysis and report to the Legislature, as specified, the following information:
 - a) The current child poverty rate, measured by the official poverty measure (OPM) and the California poverty measure (CPM), and recent trends in poverty rates;
 - b) An estimate of the effects that policies that impact child poverty have had on the deep child poverty rate and overall child poverty rate in the state, as specified;
 - c) An estimate of the progress the state is making toward ending deep child poverty by 2024 and reducing overall child poverty by 50% by 2039; and,
 - d) Any additional investments or modification to existing programs that are needed to reach the poverty-reduction goals set by provisions of this bill.
- 4) Requires CDSS to, to the extent it is available, use existing data, calculations, and analyses when conducting the analysis and report required by provisions of this bill.
- 5) Requires CDSS to, in evaluating California's progress toward reducing child poverty, develop a methodology that uses, to the extent feasible, benchmarks and data identified by the task force and other childhood indicators shown to be predictive of future adult poverty, as specified.
- 6) Repeals any codified provisions of this bill as of January 1, 2039.

EXISTING LAW:

- 1) Establishes the California Child Care and Developmental Services Act (CCDSA) for the purpose of providing a comprehensive, coordinated, and cost-effective system of child care and development services, as specified, for children from infancy to 13 years of age, and their parents, through full- and part-time programs. (Education Code [EDC] Section 8200 *et seq.*)
- 2) States the intent of the Legislature that all families have access to child care and development services, as specified, regardless of ethnic status, cultural background, or special needs, and the intent that subsidized child care and development services be provided to eligible families, to the extent funding is available. (EDC 8202)
- 3) Establishes under federal law the Temporary Assistance for Needy Families (TANF) program to provide aid and welfare-to-work services to eligible families and, in California, provides that TANF funds for welfare-to-work services are administered through the CalWORKs program. (Title 42 of United States Code [U.S.C.] Section 601 *et seq.*, Welfare and Institutions Code [WIC] Section 11200 *et seq.*)
- 4) Establishes the Nurse-Family Partnership program, to be administered by the California Department of Public Health (CDPH), to provide grants to counties for voluntary nurse home visiting programs to be provided to expectant first-time mothers, their children, and their families, as specified. (Health and Safety Code [HSC] Sections 123491 – 123493)
- 5) States that the purpose of foster care law is to provide maximum safety and protection for children who are being physically, sexually or emotionally abused, neglected, or exploited and to ensure the safety, protection, and physical and emotional well-being of children at risk of such harm. (WIC 300.2)
- 6) Declares the intent of the Legislature to, whenever possible: preserve and strengthen a child's family ties, reunify a foster child with his or her relatives, or when family reunification is not possible or likely, to develop a permanent alternative. Further states the intent of the Legislature to reaffirm its commitment to children who are in out-of-home placement to live in the least restrictive family setting promoting normal childhood experiences that is suited to meet the child's or youth's needs and is as close to the child's family as possible, as specified. Further declares Legislative intent that all children live with a committed, permanent, and nurturing family and that services and supports should be tailored to meet the needs of the individual child and family being served, as specified. (WIC 16000)
- 7) Requires placement of a child in foster care to be based upon selection of a safe setting that is the least restrictive family setting that promotes normal childhood experiences and the most appropriate setting that meets the child's individual needs and is available, in proximity to the parent's home, the child's school, and best suited to meet the child's special needs and best interests. Further requires the selection of placement to consider, in order of priority, placement with relatives, nonrelated extended family members, and tribal members; foster family homes, resource families, and nontreatment certified homes of foster family agencies; followed by treatment and intensive treatment certified homes of foster family agencies; or multidimensional treatment foster care homes or therapeutic foster care homes; group care

placements in the order of short term residential therapeutic programs (STRTPs), group homes, community treatment facilities, and out-of-state residential treatment, as specified. (WIC 16501.1(d)(1))

- 8) Establishes the federal Earned Income Tax Credit (EITC) for eligible taxpayers based on the taxpayer's income. (26 U.S.C. 32)
- 9) Establishes the state EITC for eligible taxpayers based on certain eligibility criteria. (Revenue and Taxation Code Section 17052)
- 10) Establishes the Lifting Children and Families Out of Poverty Task Force in order to recommend strategies for addressing deep child poverty and reducing child poverty in the state and requires the Task Force to submit a report to the executive administration and the Legislature by November 1, 2018, that includes specified data, analyses, benchmarks, and recommendations, as specified. (WIC 20050 *et seq.*)

FISCAL EFFECT: According to the Senate Appropriations Committee on May 16, 2019, this bill may result in significant, ongoing costs to CDSS of approximately \$300,000 per year for increased workload to gather and analyze the data and to compile the information into a report.

COMMENTS:

Child poverty in California: Nearly one in five of California's children – 18.1% – were living in poverty in 2017, according to the U.S. Census Bureau's Official Poverty Measure. Per the California Poverty Measure (CPM), the child poverty rate in 2016 (the most recent year for which data are available) was 21.3%, representing approximately 1.9 million children. The CPM is produced by the Public Policy Institute of California (PPIC) and the Stanford Center on Poverty and Inequality and employs a more comprehensive methodology for measuring poverty across regions. Using the combined 2014 through 2016 CPM, PPIC determined that child poverty rates across counties varied significantly, from a high of 27.8% in Los Angeles County (followed closely by Santa Cruz County at 27.2% and Santa Barbara County at 26.3%) to a low of 10.6% in El Dorado County (Placer County had a rate of 10.7%).

Using the 2016 CPM as a measurement, state child poverty rates also varied by race and ethnicity, with Latino children having a poverty rate of 28.3%, African American children a rate of 20%, Asian American children 16.2%, and white children 11.6%. Per the 2016 CPM, 83.5% of California children experiencing poverty lived in families with at least one employed adult.

Lifting Children and Families Out of Poverty Task Force: Established by AB 1520 (Burke), Chapter 415, Statutes of 2017, the Task Force was charged with recommending strategies for addressing deep child poverty and reducing child poverty in the state and submitting a report to the executive administration and the Legislature in 2018 that included certain data, analyses, benchmarks, and recommendations. This report, released in November of 2018, provided a wide range of recommendations across areas including: the social safety net; early childhood; housing and homelessness; health care; education, workforce, and training; special populations (such as transition age youth, foster youth, youth interacting with the juvenile justice system, and others); and, coordinated services.

Need for this bill: This bill sets goals for ending deep child poverty and reducing child poverty in California, and requires the periodic measurement of progress towards these goals and the measurement of impacts of various policies on child poverty rates. According to the author, “California is facing a child poverty crisis with one in five children living below the federal poverty level of \$25,100 per year for a family of four. Families that live on less than 50% of the federal poverty level – or \$12,500 per year is defined as deep poverty. Over 450,000 children live in deep poverty in California. Poverty is both morally and economically wrong. The effects of poverty have damaging effects on the physical and mental health, and educational wellbeing of children. Californian children deserve the opportunity to have their basic needs met and an opportunity to thrive and fulfill their potential. Establishing a state goal to reduce child poverty recognizes that addressing child poverty is an issue that requires continued focus, comprehensive study, policy action and concerted state investment.”

Staff comments: While the California Poverty Measure (CPM) is a very useful tool for the state, it is an index that is jointly produced by PPIC and the Stanford Center on Poverty and Inequality. As such, it is a measure put forth by a think tank and a university-based center that is not required to be produced in any regular intervals, if at all. The Supplemental Poverty Measure (SPM), annual data on which is published by the United States Census Bureau (which also puts forth data on the traditional Official Poverty Measure), while lacking some of the specificity of the CPM, may provide a more dependable measure into the future. Therefore, should this bill move forward, ***the author may wish to require measurement of progress towards reducing child poverty using the SPM instead of the CPM.***

Recommended amendments: This bill calls upon CDSS to periodically measure the effect of various policies that impact child poverty (potentially including, among others, antipoverty, housing, health care workforce training, juvenile justice, and foster care programs) on deep child and overall child poverty rates. However, such a task may be difficult for a number of reasons. For one, experiences and impacts of poverty are not homogeneous; it follows, then, that responses to address poverty and alleviate its effects take on a variety of approaches and forms (cash benefits, tax credits, nutritional supports, in-kind benefits, and targeted supportive services to name a few). An approach that attempts to measure the individual impacts of policies/programs on poverty rates may run the risk of highlighting some programs as “better” than others due to overall impacts on the poverty rate when, in reality, some of the “poorer performing” programs (deemed so by having less of an impact on the overall poverty rate) may be making a significant difference in the lives of a smaller portion of Californians experiencing poverty by successfully addressing their unique needs. Additionally, there is a fundamental methodological concern with the requirements placed on CDSS by this bill: namely, that the department is being asked to determine, *ceteris paribus*, the impact of policies/programs on poverty rates, despite the fact that poverty can be impacted and fluctuate over time due to myriad structural and environmental factors including labor market conditions, housing costs and supply, inflation rates, and other elements. Given these concerns, this bill’s goal of investing in and/or modifying existing programs to help reach the poverty-reduction goals it sets forth would arguably be better accomplished by identifying and replicating on a larger scale local programmatic best practices and innovations that have been observed to have an impact on reducing child poverty. Therefore, ***committee staff recommends the following amendments beginning on line 29 of page 3 of the bill:***

19 20050. (a) (1) Commencing in 2020, and every ~~two~~ *five* years
 20 thereafter, the State Department of Social Services shall conduct
 21 an analysis and report to the Legislature the following information:

22 (A) The current California child poverty rate, as measured by
 23 both the official poverty measure and the California poverty
 24 measure, and recent trends in the poverty rates.

25 ~~(B) A compilation of recommendations made by the task force,
 26 or variations of the recommendations, that have been enacted since
 27 2018.~~

28 ~~(C)~~

29 ~~(B) An estimate of the impact that enacted task force
 30 recommendations, as well as all other state programs and policies
 31 that impact child poverty, including, but not limited to, poverty
 32 have had on the deep child poverty rate and the overall child
 33 poverty rate in California. The analysis and report may include
 34 the impact of enacted task force recommendations relating to
 35 antipoverty, housing, health care, workforce training, juvenile
 36 justice, and foster care programs, have had on the child poverty
 37 rate and deep child poverty rate in California. programs.~~

(B) An identification of promising and innovative practices across the state where local implementation of state- and federally-funded programs has been shown to reduce child and family poverty and improve child and family wellbeing. This identification of promising and innovative practices may include a variety of programs including, but not limited to, antipoverty, housing, health care, workforce training, juvenile justice, foster care, early care and education, nutrition, behavioral health, and other programs. The report shall describe each promising and innovative practice and provide information on feasibility of and potential strategies for statewide implementation.

38 ~~(D)~~

P4 1 (C) An estimate of the progress that California is making toward
 2 ~~eliminating~~ ending deep child poverty by 2024 and reducing overall
 3 child poverty by 50 percent by 2039.

4 ~~(E)~~

5 (D) Additional investments or modifications to existing
 6 programs that are needed, if any, *to implement on a statewide basis some or all of the promising and innovative practices identified pursuant to subparagraph (B) and* to meet the state
 7 commitment to

poverty reduction identified in subparagraph ~~(D)~~. (C).

8 (2) In conducting an analysis and report pursuant to paragraph
 9 (1), the department shall, to the extent it is available, utilize existing
 10 data, calculations, and analyses, *and may consult with counties to identify promising and innovative practices pursuant to subparagraph (B).*

PRIOR LEGISLATION:

AB 1520 (Burke), Chapter 415, Statutes of 2017, established the Lifting Children and Families Out of Poverty Task Force.

REGISTERED SUPPORT / OPPOSITION:

Support

GRACE Institute - End Child Poverty in California (Sponsor)
 Western Center on Law & Poverty, Inc. (Sponsor)
 American Federation of State, County and Municipal Employees, AFL-CIO

California Alliance for Retired Americans
California Alternative Payment Program Association
California Association of Food Banks
California Catholic Conference
California Police Chiefs Association
California School Employees Association
Catholic Charities of Santa Clara County
Children Now
City of Gonzales
City of King
City Of Salinas
Coalition of California Welfare Rights Organizations
County of Santa Clara
County Welfare Directors Association of California
Daughters of Charity of St. Vincent de Paul Province of the West
Disability Rights California
Fight Crime: Invest in Kids
First 5 Monterey County
Foster Care Counts
Fresno County Economic Opportunities Commission
Fresno Economic Opportunities Commission
Friends Committee on Legislation of California
Honorable Monica Brown, Solano County Supervisor, District 2
Jewish Family Service of Los Angeles
Jewish Public Affairs Committee
Mission: Readiness
National Association of Social Workers, California Chapter
National Center for Youth Law
National Council of Jewish Women Los Angeles
Parent Voices California
ReadyNation
Rise Together
South Bay Community Services

Opposition

None on file

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