


# REPORT OF THE CHIEF LEGISLATIVE ANALYST

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DATE: April 27, 2017

TO: Honorable Members of the Rules, Elections, Intergovernmental Relations, and Neighborhoods Committee

FROM: Sharon M. Tso  Council File No.: 17-0002-S59  
Chief Legislative Analyst Assignment No.: 17-04-0464

SUBJECT: Resolution to SUPPORT AB 1520 (Burke) Related Child Poverty Programs

CLA RECOMMENDATION: Adopt Resolution (Harris-Dawson - Ryu) to include in the City's 2017-18 State Legislative Program SUPPORT for AB 1520 (Burke) which would establish a framework for funding programs and services to reduce child poverty.

## SUMMARY

The Resolution (Harris-Dawson – Ryu), introduced on April 21, 2017, states that it is imperative that public entities preserve funding to improve the quality of life of children and families living with limited access to resources. Pending in the Legislature is AB 1520 (Burke) which aims to reduce child poverty in California by 50 percent over 20 years by creating a framework for future legislation to fund programs or services that have proven to reduce child poverty and similar outcomes. The bill indicates that the Legislature should consider making appropriations for services and programs, including: child care, early childhood education programs, foster care and adoption services, job training and education programs, Cal-Works, and others.

The Resolution recommends that the City support AB 1520.

## BACKGROUND

According to the United States Census Bureau's Supplementary Poverty Measure, California has the highest rate of child poverty in the nation. Approximately 1.9 million children live in poverty. One-third of African American children and one-third of Latino children live in poverty.

AB 1520, introduced on February 17, 2017, would establish a permanent framework through the State budget process to require the Legislature to invest in programs that have been proven to significantly reduce child poverty. The bill would state the intent of the Legislature to reduce child poverty by 50 percent over a 20-year period, beginning with the 2018–19 Fiscal Year and ending with the 2038–39 Fiscal Year.

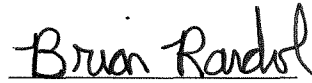
In addition, the bill would require the Department of Finance to submit annual reports to the Legislature on how the Governor's Proposed Budget will affect the child poverty rate in California.

## DEPARTMENTS NOTIFIED

Economic and Workforce Development  
Housing and Community Investment

BILL STATUS

02/17/17 Introduced  
03/16/17 Referred to Committee on Human Services  
04/17/17 From Committee Chair, with author's amendments: Amend, and re-refer to Committee on Human Services. Read second time and amended.  
04/18/17 Re-referred to Committee on Human Services.  
04/26/17 From Committee: Do pass and re-refer to Committee on Appropriations (Ayes 6, Noes 0).



Brian Randol

Analyst

Attachment: 1. Resolution  
2. Text of AB 1520

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies, proposed to or pending before a local, state or federal government body or agency, must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, with resources for social services and programs limited and at-risk of further cuts, it is imperative that public entities preserve funding to improve the quality of life of children and families living with limited access to resources; and

WHEREAS, AB 1520 (Burke), known as the “Lifting Children and Families Out of Poverty Act of 2017,” states that one in five children lives in poverty, including 30 percent of African American and 30 percent of Latino children; and

WHEREAS, AB 1520 aims to reduce child poverty in California by 50 percent over 20 years; and

WHEREAS, AB 1520 creates a framework for future legislation to fund programs or services that have proven to reduce child poverty and similar outcomes; and

WHEREAS, the bill indicates that the Legislature should consider making appropriations for services and programs, including, but not limited to, child care, early childhood education programs, foster care and adoption services, job training and education programs, increased California Earned Income Tax Credit, CalWORKS, expanded healthcare services for undocumented children and Medi-Cal, and construction of affordable housing; and

WHEREAS, the City should support legislation focused on uplifting families and children so that they may achieve their full potential;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by adoption of this Resolution, the City of Los Angeles hereby includes in its 2017-18 State Legislative Program SUPPORT for AB 1520, known as the “Lifting Children and Families Out of Poverty Act of 2017,” which would establish a framework for funding programs and services to reduce child poverty.

PRESENTED BY: \_\_\_\_\_  
 MARQUEECE HARRIS-DAWSON  
 Councilmember, 8<sup>th</sup> District

APR 21 2017

SECONDED BY: \_\_\_\_\_

AMENDED IN ASSEMBLY APRIL 17, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1520**

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**Introduced by Assembly Member Burke  
(Coauthors: Assembly Members Baker, Gloria, *Limón*, and  
Thurmond)**

February 17, 2017

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An act to add Division 11 (commencing with Section 20050) to the Welfare and Institutions Code, relating to poverty.

LEGISLATIVE COUNSEL'S DIGEST

AB 1520, as amended, Burke. Lifting Children and Families Out of Poverty Act of 2017.

Existing law establishes various programs that provide cash assistance and other benefits relating to health care, food, and housing, among other things, to qualified low-income families and individuals, including, among others, the California Work Opportunity and Responsibility to Kids (CalWORKs) program, the California Earned Income Tax Credit, Medi-Cal, CalFresh, the California Special Supplemental Nutrition Program for Women, Infants, and Children (WIC Program), and the Emergency Housing and Assistance Program.

This bill would make legislative findings and declarations regarding child poverty in California. The bill would state the intent of the Legislature to move toward reducing child poverty in this state by 50% over a 20-year period, commencing with the 2018–19 fiscal year and ending with the 2038–39 fiscal year. The bill would also state the intent of the Legislature to use a specified framework as guiding and nonbinding recommendations for purposes of enacting future legislation to fund programs or services that have been proven to reduce child

poverty in California and to fund future innovations that are shown to achieve similar outcomes. The bill would set forth certain programs, services, and expenditures that the Legislature should consider for purposes of making appropriations on an annual basis, except as specified. *The bill would require the annual Budget Act passed by the Legislature to contain a statement specifying how expenditures in the Budget Act comply with the framework.*

This bill would establish the *Lifting Children and Families Out of Poverty Task Force, consisting of specified stakeholders, for purposes of researching, analyzing, and providing guidance to the Legislature in making appropriations pursuant to the framework and in supporting California's efforts on lifetime wellness, self-sufficiency, and economic strength in families and communities throughout the state.* The bill would require the ~~Department of Finance, Legislative Analyst's Office and the task force,~~ on an annual basis, to report to the Legislature on ~~its~~ *their* projections of how the Governor's budget proposal will impact the child poverty rate in California. The bill would also require the ~~department, office and the task force,~~ commencing in 2019, and every 2 years thereafter, to prepare, and report to the Legislature, an analysis regarding child poverty that ~~includes, among other things,~~ *includes certain information relating to programs, services, and expenditures and an estimate of the impact that the framework described above has had on the had, or will have, on current or projected future child poverty rate rates, respectively,* in California, to the extent the framework has been used by the Legislature. The bill would recommend that the Legislature hold a joint hearing every 2 years, as specified, to assess the impact that the framework has had on the child poverty rate in California and would recommend that the committees involved consider the reports submitted by the ~~department.~~ *office and the task force.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. This act shall be known, and may be cited, as the
- 2 Lifting Children and Families Out of Poverty Act of 2017.
- 3 SEC. 2. The Legislature finds and declares all of the following:
- 4 (a) California has the highest rate of child poverty in the nation.
- 5 One in five children lives under the federal poverty level in
- 6 California, and 30 percent of African American children and 30

1 percent of Latino children live in poverty. Without a comprehensive  
2 attack on poverty and its root causes, the future economic stability  
3 of California is at risk.

4 (b) Our ability to grow the economy and create jobs is damaged  
5 by this continued level of high poverty. The economic health of  
6 current and future generations depends on immediately  
7 implementing proven measures that provide opportunities to move  
8 those left behind out of the cycle of poverty.

9 (c) *The state spends millions of dollars each year addressing  
10 the effects of child poverty, which goes hand in hand with adult  
11 poverty. The failure to adequately and systematically address child  
12 poverty guarantees the continued cycle of poverty.*

13 (e)

14 (d) Attacking poverty requires an unprecedented investment.  
15 There are proven and effective strategies to fight poverty, but, to  
16 succeed on a large scale, they must be funded and sustained over  
17 a generation. ~~Otherwise, poverty will continue to drain government  
18 resources without producing lasting change. Accordingly, in order  
19 to achieve the social and economic benefits of reducing poverty,  
20 the Legislature should make an ongoing commitment of resources  
21 to the effort of reducing poverty.~~

22 (d)

23 (e) This commitment would be demonstrated by the Legislature  
24 ~~using a framework for reducing and realized by adopting a  
25 framework to be used in the annual budget process that results in  
26 investments necessary to reduce child poverty in this state by 50  
27 percent over 20 years.~~

28 (e)

29 (f) In order to accomplish this goal, the state needs to build on  
30 existing, but underfunded, initiatives that research shows are  
31 effective. These efforts require a comprehensive plan to create  
32 economic opportunity for everyone. Expert analysis finds that this  
33 approach would provide a 2-to-1 return on investment, save  
34 taxpayers money in health care and social services, reduce  
35 overcrowding in jails and prisons, decrease the horror of child  
36 abuse, and reduce the number of children living in poverty by 50  
37 percent.

38 SEC. 3. Division 11 (commencing with Section 20050) is added  
39 to the Welfare and Institutions Code, to read:

1 DIVISION 11. POVERTY REDUCTION

2  
3 PART 1. LIFTING CHILDREN AND FAMILIES OUT OF  
4 POVERTY ACT

5  
6 CHAPTER 1. GENERAL PROVISIONS

7  
8 Article 1. Title and Intent

9  
10 20050. (a) This part shall be known, and may be cited, as the  
11 Lifting Children and Families Out of Poverty Act.

12 (b) It is the intent of the Legislature to move toward reducing  
13 child poverty in this state by 50 percent over a 20-year period,  
14 commencing with the 2018–19 fiscal year and ending with the  
15 2038–39 fiscal year.

16  
17 Article 2. Funding Framework

18  
19 20055. (a) It is the intent of the Legislature to use the  
20 framework described in subdivision (b) as guiding and nonbinding  
21 recommendations, to the extent feasible and permitted under law,  
22 for purposes of enacting future legislation to fund programs or  
23 services that have been proven to reduce child poverty in California  
24 and to fund future innovations that are shown to achieve similar  
25 outcomes. In order to make meaningful progress in reducing child  
26 poverty in this state, it is the intent of the Legislature that this  
27 framework *will* result in sufficient investment in programs,  
28 services, and innovations that directly address the causes of child  
29 poverty.

30 (b) (1) On an annual basis, the Legislature should appropriate  
31 moneys for any of the programs, services, or expenditures set forth  
32 in paragraph (4) for the purpose of moving toward reducing child  
33 poverty in this state by 50 percent over a 20-year period,  
34 commencing with the 2018–19 fiscal year and ending with the  
35 2038–39 fiscal year.

36 (2) The Legislature should invest in programs, services, and  
37 innovations at amounts or levels it deems appropriate for each  
38 program, service, or innovation.

39 (3) If General Fund revenues fall by 10 percent from one fiscal  
40 year to the subsequent one, or in the event of a state of emergency,

1 as defined in Section 8558 of the Government Code, the Legislature  
2 should consider whether this framework should be temporarily  
3 suspended until those circumstances have ended.

4 (4) The Legislature should consider all of the following  
5 programs, services, and expenditures for purposes of making  
6 appropriations pursuant to paragraph (1):

7 (A) Child care and early childhood education, including  
8 preschool programs, for children living below the federal poverty  
9 level.

10 (B) Home visiting programs.

11 (C) After school programs and summer school programs.

12 (D) Foster care and adoption services.

13 (E) Job training and placement programs.

14 (F) Increases in the amount of the California Earned Income  
15 Tax Credit, as defined in Section 17052 of the Revenue and  
16 Taxation Code, or increases in eligibility for the credit.

17 (G) Increases in the amount of aid to recipients of the California  
18 Work Opportunity and Responsibility to Kids (CalWORKs)  
19 program, under Chapter 2 (commencing with Section 11200) of  
20 Part 3 of Division 9, or increases in eligibility for the aid.

21 (H) General Fund expenditures for health care services for  
22 ~~undocumented immigrant~~ *all* children.

23 (I) General Fund expenditures to maintain ~~the expansion of the~~  
24 ~~Medi-Cal program pursuant to the federal Patient Protection and~~  
25 ~~Affordable Care Act (Public Law 111-148):~~ *health care coverage*  
26 *for childless adults whose income does not exceed 133 percent of*  
27 *the federal poverty level.*

28 (J) General Fund expenditures for the treatment of substance  
29 abuse for individuals eligible for Medi-Cal benefits.

30 (K) General Fund expenditures for financing, planning,  
31 construction, and maintenance of affordable housing for lower  
32 income households, very low income households, and extremely  
33 low income households, as defined in Sections 50079.5, 50105,  
34 and 50106 of the Health and Safety Code, respectively.

35 (L) General Fund expenditures to support federally designated  
36 Promise Zones, as established under the United States Department  
37 of Housing and Urban Development, that are located in California,  
38 and to create state-designated Promise Zones in communities with  
39 high poverty for the purpose of coordinating services and  
40 prioritizing grant funding for those communities.



1 (5) *The annual Budget Act passed by the Legislature shall*  
2 *contain a statement specifying how expenditures in the Budget Act*  
3 *comply with this subdivision.*

4 ~~(5)~~

5 (6) *The Legislature should, commencing in 2019, and every*  
6 *two years thereafter, hold a joint hearing, led by appropriate*  
7 *committees from each house of the Legislature, in order to assess*  
8 *the impact that the framework described in this section has had on*  
9 *the child poverty rate in California. The committees should*  
10 *consider, during the hearing, the reports submitted by the*  
11 ~~*Department of Finance pursuant to subdivisions (a) and (b)*~~  
12 ~~*Legislative Analyst's Office and the Lifting Children and Families*~~  
13 ~~*Out of Poverty Task Force pursuant to subdivisions (b) and (c) of*~~  
14 ~~*Section 20060, among other reports that the committees deem*~~  
15 ~~*appropriate.*~~

16 ~~20060. (a) *On (1) The Lifting Children and Families Out of*~~  
17 ~~*Poverty Task Force is hereby established for purposes of*~~  
18 ~~*researching, analyzing, and providing guidance to the Legislature*~~  
19 ~~*in making appropriations pursuant to Section 20055 and in*~~  
20 ~~*supporting California's efforts on lifetime wellness, self-sufficiency,*~~  
21 ~~*and economic strength in families and communities throughout*~~  
22 ~~*the state.*~~

23 (2) *The task force shall consist of stakeholders that focus on*  
24 *family and child well-being, from birth to adulthood, in furtherance*  
25 *of the goals of reducing child poverty and alleviating family crises,*  
26 *including, but not limited to, at least one representative of each*  
27 *of the following:*

28 (A) *State departments.*

29 (B) *County agencies.*

30 (C) *Community agencies.*

31 (D) *Local nonprofit organizations.*

32 (E) *Advocates.*

33 (F) *Academics.*

34 (G) *Think tanks.*

35 (H) *The Legislature.*

36 (b) ~~*On an annual basis, the Department of Finance Legislative*~~  
37 ~~*Analyst's Office and the task force shall, in conjunction with the*~~  
38 ~~*release of the Governor's budget proposal on or before January*~~  
39 ~~*10 of each calendar year, report to the Legislature on its their*~~

1 projections of how the Governor’s budget proposal will impact  
2 the child poverty rate in California.

3 ~~(b)~~

4 *(c)* Commencing in 2019, and every two years thereafter, the  
5 ~~department~~ *Legislative Analyst’s Office and the task force* shall  
6 prepare, and report to the Legislature, an analysis that includes all  
7 of the following information:

8 (1) An estimate of the impact that current programs, services,  
9 and innovations established under existing law, as identified by  
10 ~~the department~~, *Legislative Analyst’s Office and the task force*,  
11 have had on the child poverty rate in California.

12 (2) An estimate of the impact that any potential future  
13 investment increases in existing programs, services, or innovations,  
14 or any new investments in strategies not employed by the state, as  
15 identified by ~~the department~~, *Legislative Analyst’s Office and the*  
16 *task force*, would have on the child poverty rate in California.

17 (3) *An estimate of the impact that expenditures and financial*  
18 *formulas for programs affecting children, as identified by the*  
19 *Legislative Analyst’s Office and the task force, have had on county*  
20 *services for children living in poverty.*

21 ~~(3)~~

22 (4) (A) To the extent the framework described in Section 20055  
23 has been used by the Legislature, and to the extent relevant  
24 information is available, an estimate of the impact that the  
25 framework has ~~had on the~~ *had, or will have, on current or projected*  
26 *future child poverty-rate rates, respectively, in California.*

27 (B) *The analysis of the impact of the framework on projected*  
28 *future child poverty rates shall consider measurable childhood*  
29 *indicators that peer-reviewed studies have shown to be predictive*  
30 *of future adult poverty and, accordingly, next-generation child*  
31 *poverty rates. These indicators may include, but are not limited*  
32 *to, school test scores, high school graduation rates, juvenile arrest*  
33 *rates, incidence of reported mistreatment of children, and incidence*  
34 *of attention deficit hyperactivity disorder.*

35 ~~(e)~~

36 (d) The reports required to be submitted pursuant to subdivisions  
37 ~~(a) and (b)~~ *and (c)* shall be submitted in compliance with Section  
38 9795 of the Government Code.

O