

Date of Hearing: April 15, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1969 (Bonta) – As Amended March 26, 2026

Policy Committee: Human Services

Vote: 5 - 2

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill, subject to an appropriation in the annual Budget Act, establishes the California Coordinated Neighborhood and Community Services Grant Program to provide competitive awards to eligible entities to implement new, and strengthen existing, cradle-to-career (C2C) networks at the neighborhood and regional level.

Among its provisions, this bill:

- 1) Requires the California Department of Social Services (CDSS), or another department within the California Health and Human Services Agency (CalHHS), to administer the program.
- 2) Specifies the purpose of the program is to reduce child poverty and advance economic mobility for children and families disproportionately affected by intergenerational poverty by supporting place-based partnerships that align services, address systemic barriers, and improve long-term outcomes.
- 3) Requires CDSS, for the 2026-27 and 2027-28 fiscal years, to competitively award grants to eligible entities, including nonprofit organizations, institutions of higher education, and Indian tribes, that are place-based partnerships, including neighborhood or regional partnerships.
- 4) Requires CDSS, in consultation with the Department of Education (CDE), to develop an application process for eligible entities to apply for grants and to prioritize applicants serving remote communities, including rural and tribal communities.
- 5) Delineates the grant funding structure for the program and requires CDSS to establish performance standards to measure progress on indicators and results relevant to the evaluation of the program.
- 6) Requires each grant recipient to prepare and submit to CDSS an annual report that includes specified information and data and states the data must not include personally identifiable information and be subject to all applicable privacy laws.

FISCAL EFFECT:

- 1) General Fund (GF) cost pressures of an unknown amount, likely in the high tens of millions to low hundreds of millions of dollars, over two years to fund the competitive grants. The

exact cost will depend on the number and dollar amount of the grants, which the bill does not specify.

- 2) CDSS estimates GF costs of approximately \$1 million to \$3 million, over three years for consultant costs, and additional costs, likely in the low hundreds of thousands of dollars annually, for one staff position to implement the program.
- 3) Estimated GF costs to CDE of an unknown amount, likely in the hundreds of thousands of dollars, for two years to establish performance standards, among other tasks.

The author is requesting \$200 million in one-time funding in the 2026-27 budget in support of this bill.

Specifically, the author is requesting \$17.5 million to reestablish state funding that sunset at the end of fiscal year 2024-25, to sustain the state's existing place-based programs. The remainder of the funding would be used to expand the state's Promise Neighborhoods and Regional Partnership model statewide and to sustain CDSS' oversight, data, and evaluation infrastructure

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

COMMENTS:

- 1) **Purpose.** According to the author:

Over the last 10 years, Promise Neighborhoods, C2C networks, and similar entities have worked in disadvantaged communities. Utilizing a place-based, equity-focused approach, these networks coordinate services and supports across the public and private sectors and collect and share data to maximize the efficiency and efficacy of programming. Areas where these networks have operated have seen substantial improvements in healthcare access, literacy, and college and career readiness, as well as reduced child welfare and juvenile justice involvement.

- 2) **Background.** C2C approaches are used by local governments and community-based organizations in the state and across the country to coordinate interventions at pivotal stages of a child's development, from before birth through college and career, to help ensure the child's success. Evidence suggests these coordinated, place-based approaches can improve outcomes for children and families.

The Promise Neighborhoods program, launched by the United States Department of Education in 2010, supports C2C services in high-poverty communities by providing competitive grants to nonprofit organizations, higher education institutions, and tribal entities to coordinate education, health, and social services in distressed neighborhoods. California has eight Promise Neighborhoods located in San Francisco; Oakland; Hayward; Los Angeles; Chula Vista; San Diego; Corning; and Klamath River. After federal funding for the program sunset, the Budget Act of 2022 provided a one-time \$12 million appropriation to CDSS to prevent the closure of four existing sites.

California authorized the California C2C Data System Act in 2019, a statewide data infrastructure to assist with the coordination of the various C2C efforts. In addition, the state established the California Community Schools Partnership Program in 2021, where community schools operate as neighborhood hubs that integrate education with health, social, and family supports. The Governor's January 2026-27 budget proposes \$1 billion in ongoing Proposition 98 funding to sustain the existing 2,500 schools already receiving one-time funding and to expand the model to 3,700 new schools.

There is no statewide entity responsible for the alignment and coordination of various C2C services. This bill establishes a program to provide statewide coordination and to create opportunities for additional entities to implement C2C solutions.

- 3) **Related Legislation.** AB 2092 (Bonta), of this legislative session, establishes the Early Childhood Integrated Data System under CDSS to link data across programs serving children from birth to five years of age and connect to the C2C Data System. AB 2092 is pending in the Assembly Privacy and Consumer Protection Committee.
- 4) **Prior Legislation.** Similar legislation has been introduced numerous times since 2018. Most recently, AB 1321 (Bonta), of the 2023-24 Legislative Session, was held on the Senate Appropriations Committee suspense file, and AB 2517 (Bonta), of the 2021-22 Legislative Session, was vetoed by Governor Newsom who cited costs concerns and stated, "Bills with significant fiscal impact, such as this measure, should be considered and accounted for as part of the annual budget process."

Analysis Prepared by: Jennifer Swenson / APPR. / (916) 319-2081