Report on Removed Propositions: Children's Healthcare Funding & High School Financial Literacy

Initiative Legislative Statutes

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INTRODUCTION

Last-minute negations have caused significant changes to the November ballot in California. This year, a record-breaking number of nine measures were withdrawn from the ballot after qualifying.[1] Previously, the most withdrawals in a single election was three in 2018.[2] Five of the withdrawn measures were a result of legislative action and compromise.[3] Assemblymember Isaac Bryan explains, "The ballot is often weaponized by those who are losing touch with both the people of California and the people's representatives. That's where we're stepping in. We're doing the people's business. We're making sure we're trying to craft policy solutions that answer the real problems across California."[4]

On June 27, 2024, the final day for proponents to withdraw an initiative, the State Legislature spent several hours passing bills to make their end of the deal.[5] Two days prior, Governor Gavin Newsom had announced an agreement to provide funding for the Department of Health Care Services to support the California Children's Hospitals.[6] After Senate Bill (SB) 159, the budget bill for this funding, passed on June 27, proponents withdrew their initiative for the Expansion of State Funding for Kids' Healthcare.[7] Ann-Louise Kuhns, a proponent of the initiative and President and CEO of the California Children's Hospital Association, made a statement regarding the matter: "State government leaders asked Children's Hospitals to think outside the box to maximize the use of federal money to achieve our goal of extending life–saving care to more critically ill children. We have found the best path to do so with less stress on the state's budget for public health, public safety, public education and public infrastructure."[8] That same day, the Legislature approved a measure requiring financial literacy as a high school graduation requirement, Assembly Bill (AB) 2927.[9] Timothy Ranzetta, co-founder of Next Gen Personal Finance and advocate with Next Gen Personal Finance Mission 2030, then announced he would withdraw his initiative for California Requiring Personal Finance Course for High School Graduation.[10] Ranzetta explained the need for the initiative and the improvements the bill made to it: "Having a ballot initiative, which was going to pass, brought people to the table, and I think the end result was a better one."[11] This better result refers to things the bill addressed that the initiative did not, such as the development of standards and curriculum guidance, who will teach these

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[1] Alexei Koseff, *Ballot Measure Madness: How California Lawmakers are Scrambling the November List*, CALMATTERS (Jun. 27, 2024), https://calmatters.org/politics/elections/2024/06/california-ballot-propositions-november/ (last visited Sept. 24, 2024).
[2] *2024 California Ballot Measures: What you need to know*, CALMATTERS (Jul. 3, 2024), https://calmatters.org/explainers/california-ballot-measures-2024/, (last visited Sept. 24, 2024).
[3] Koseff, *supra* note 1.
[4] *Id*.
[5] *Id*.
[6] *California to Expand Funding for Children's Hospitals, Serve State's Sickest Kids*, GOVERNOR GAVIN NEWSOM (Jun. 25, 2024), https://www.gov.ca.gov/2024/06/25/california-to-expand-funding-for-childrens-hospitals-serve-states-sickest-kids/ ["*California to Expand Funding for Children's Hospitals*"], (last visited Sept. 24, 2024).
[7] *Id*.; SB 159, 2024 Leg., 2023–2024 Reg. Sess. (Cal. 2024).
[8] *Id*.
[9] AB 2927, 2024 Leg., 2023–2024 Reg. Sess. (Cal. 2024).
[10] Koseff, *supra*, note 1.
[11] Interview with Timothy Ranzetta, Co-Founder, Next Gen Personal Finance (NGPF) and Advocate with NGPF Mission 2030, (Sept. 13, 2024) [Ranzetta Interview] (notes on file with the *California Initiative Review*).

courses, what credentials are needed, the implementation timeframe, and flexibility in where the course might fit into existing graduation requirements.[12]

These two proposed initiatives, withdrawn following legislative action, will significantly improve the livelihood of California's youth. Funding for the California Children's Hospitals will allow the California Children's Services Program to expand and better support critically ill children. Requiring a financial literacy course in California's high schools will educate, empower, and enable students to have control of these crucial life skills. Below, we will examine the two withdrawn propositions and their approved legislative equivalents.

[12] *Id*.

Children's Healthcare Funding

I. INTRODUCTION TO FUNDING FOR CALIFORNIA CHILDREN'S HEALTHCARE

The California Children's Services program provides healthcare to children with qualifying diseases and financial circumstances.[13] This state program was created in 1927 to support critically ill children from low–income families.[14] Under state law, the program currently covers children under the age of 21 with serious and chronic diseases who meet a family income requirement of $40,000 or less.[15] The law only specifies a few qualifying diseases, and the rest are determined by guidance from the California Department of Health Care Services.[16] The program covers a wide range of support, including hospital visits, medical equipment, and medical case management services.[17]

Nearly one-half of California's 3.91 million citizens have health care coverage through publicly funded programs, such as Medi-Cal and Medicare. The California Children's Services program serves approximately 200,000 children in California every year.[18] More than 70% of those children qualify because they are enrolled in Medi-Cal, with their care reimbursed through the Medi-Cal program.[19] The outstanding 30% is funded through federal, state, and county funds.[20]

The initiative was filed on October 3, 2023, by Ann-Louise Kuhns, President and CEO of California Children's Hospitals Association. It qualified for the ballot with at least 604,112 verified signatures.[21] The measure aimed to expand the California Children's Services program by specifying qualifying diseases, introducing new financial assistance programs, increasing payments for providers, initiating a five-year reevaluation process, and restricting the use of funds for certain purposes.[22]

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[13] Letter from Gabriel Petek LAO, to Hon. Rob Bonta, Attorney General, Cal. (Dec. 12, 2023), https://lao.ca.gov/ballot/2023/230547.pdf [Petek LAO Letter].
[14] *Id*.
[15] *Id*.
[16] *Id*.
[17] *Id*.
[18] *Id*.
[19] *CCS Program Overview*, DHCS, https://www.dhcs.ca.gov/services/ccs/Pages/ProgramOverview.aspx, (last visited Sept. 15, 2024).
[20] *Id*.
[21] *California Changes to the State Children's Program Initiative*, BALLOTPEDIA, https://ballotpedia.org/California_Changes_to_the_State_Children%27s_Services_Program_Initiative_(2024) ["CCS BALLOTPEDIA"], (last visited Sept. 15, 2024).
[22] *Id*.

II. THE LAW

A. Current Law

California Children's Services, then named the "California Crippled Children's Act," was signed in 1927.[23] Federal legislation in the Social Security Act of 1935 mandated coverage for children with specific, critical healthcare needs.[24] The Medical Therapy program was established in 1945 in partnership with the California Department of Education.[25] As a part of California Children's Services, this program provides physical therapy, occupational therapy, and medical conference therapy for California Children's Services children.[26] It was expanded in 1961through that year's Budget Act.[27] The California Children's Services program was codified in 1968 by the California Health and Safety Code, through the "Robert W. Crown California Children's Services Act."[28] Further legislation required cost sharing through the state and county.[29] It mandated California Children's Services to act as an agent of Medi-Cal for California Children's Services eligible patients who are enrolled in Medi-Cal.[30]

Federal, state, and county funds support the program.[31] For children covered through Medi-Cal, approximately 70% of California Children's Services children's care is reimbursed through Medi-Cal, with California Children's Services acting as their agents.[32] The state must get approval from the federal government to make changes to the California Children's Services program related to Medi-Cal funding and reimbursements.[33] The remaining 30% of California Children's Services children's care is covered through the state general fund and county funds.[34]

California Children's Services establishes quality standards for providers and sets medical guidelines for care, which are periodically reevaluated by the Department of Healthcare Services.[35] The California Children's Services program covers doctor visits, hospital stays, surgery, therapies, x-rays, testing, and medical equipment.[36] Under current law, to be eligible for California

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23 *Medical Therapy Program*, DHCS, https://www.dhcs.ca.gov/services/ccs/Pages/MTP.aspx ["*Medical Therapy Program*"], (last visited Sept. 15, 2024).
24 Social Security Act, 1935 Leg., 1934–1935 Reg. Sess. (U.S. 1935).
25 *Medical Therapy Program*, *supra* note 23.
26 *Id*.
27 *Id*.
28 Robert W. Crown California Children's Services Act, https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=HSC&division=106.&title=&part=2.&chapter=3.&article=5. (last visited Sept. 15, 2024).
29 AB 948, 1992 Leg., 1992 Reg. Sess. (Cal. 1992).
30 Title 22, Section 51013, CALIFORNIA CODE OF REGULATIONS, https://govt.westlaw.com/calregs/Browse/Home/California/CaliforniaCodeofRegulations?guid=IE55EDC305B6011EC9451000D3A7C4BC3&transitionType=Default&contextData=%28sc.Default%29 ["Title 22, Section 51013"], (last visited Sept. 15, 2024).
31 Petek LAO Letter, *supra* note 13.
32 Title 22, Section 51013, *supra* note 30.
33 Petek LAO Letter, *supra* note 13.
34 *Id*.
35 Interview with Ann-Louise Kuhns, President and CEO, California Children's Hospital Association (Sept. 20, 2024) [Kuhns Interview] (notes on file with the *California Initiative Review*).
36 *California Children's Services*, DHCS, https://www.dhcs.ca.gov/formsandpubs/publications/Documents/CMS/pub4.pdf, (last visited Sept. 15, 2024).

Children's Services, one must meet the following criteria: under 21 years of age; have a California Children's Services qualifying medical diagnosis; be a California resident; and have a family income under $40,000.[37] The qualifying diseases are not listed by statute, but are specified by state regulation issued by the Department of Health Care Services.[38] The Department of Health Care Services says, "California Children's Services covers most problems that are physically disabling or that need to be treated with medicines, surgery, or rehabilitation."[39]

B. Proposed Law

The goal of the proposition was to modernize California Children's Services.[40] Under the withdrawn proposition, the proposed law would have expanded the California Children's Services program in four major ways.[41]

1. *Formally specifying which diseases qualify.*[42]

The formal rules and guidance, currently used by the Department of Health Care Services, would have been adopted through this measure.[43] Diseases currently covered by regulation, not by statute, would have been formally added, including cancer, heart disease, and cerebral palsy.[44] The department would also be required to reevaluate every five years to determine if more qualifying diseases should be added. [45]

2. *Creating new financial assistance programs.*[46]

New financial assistance programs would have been added to support families who do not meet the income-based requirements but still need assistance.[47] California Children's Services would have covered necessary items and services related to the child's treatment above a certain minimum.[48] This minimum would be based on out-of-pocket expenses for specific health insurance plans, which is approximately $9,100 for most families in 2024.[49]

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37 *Id*.
38 *Id*.
39 *Id*.
40 Kuhns Interview, *supra* note 35.
41 *Proponent Withdraws Initiative to Expand State Health Care Program for Children with Certain Medical Conditions*, CALIFORNIA SECRETARY OF STATE, https://www.sos.ca.gov/administration/news-releases-and-advisories/2024-news-releases-and-advisories/proponent-withdraws-initiative-expand-state-health-care-program-children-certain-medical-conditions ["*Proponent Withdraws Initiative to Expand State Health Care Program for Children with Certain Medical Conditions*"], (last visited Sept. 15, 2024).
42 Petek LAO Letter, *supra* note 13.
43 *Id*.
44 *Proponent Withdraws Initiative to Expand State Health Care Program for Children with Certain Medical Conditions*, *supra* note 41.
45 Petek LAO Letter, *supra* note 13.
46 *Id*.
47 *Proponent Withdraws Initiative to Expand State Health Care Program for Children with Certain Medical Conditions*, *supra* note 41.
48 *Id*.
49 *Id*.

3. *Increased payments for providers.*[50]

There are three keyways in which payments would be increased.[51]

First, annual grants would be provided to every hospital approved for California Children's Services.[52] Grants would be calculated using the number of days eligible children were in inpatient visits multiplied by outpatient visits and 200.[53]

Second, payments for California Children's Services providers would be reviewed and evaluated by the Department of Health Care Services.[54] If providers' pay was below the federal Medicare standard, the state would be required to increase their pay to at least that level.[55]

Third, hospitals would receive direct payment for the cost of drugs.[56] California Children's Services currently does not provide direct payment to most hospitals for drugs provided to California Children's Services patients during inpatient care.[57] Medi-Cal requires providers to pay for them, and the state reimburses 50%.[58]

4. *Restricting the use of supportive funds.*[59]

The measure would have restricted the state from using certain funding sources.[60] The example provided is that the state could not use county funds to support the financial assistance programs or increase provider payments.[61] The state would also have been prohibited from seeking federal approval to use federal funds by counting the hospital grant program as a Medi-Cal payment or using state tax on health insurance plans to support the measure.[62]

The importance of the expansion and modernization of this program comes from the uniqueness of children's hospitals.[63] Children's hospitals provide more safe and effective care because they specialize in pediatric cases and receive higher volumes than other hospitals.[64] Studies indicate that children undergoing high-risk procedures have lower death rates in hospitals with high-volume procedures, and patients treated have fewer issues, such as complications and

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[50] Petek LAO Letter, *supra* note 13.
[51] *Id*.
[52] *Id*.
[53] *Id*.
[54] *Id*.
[55] *Id*.
[56] *Id*.
[57] *Id*.
[58] Kuhns Interview, *supra* note 35.
[59] Petek LAO Letter, *supra* note 13.
[60] *Id*.
[61] *Id*.
[62] *Id*.
[63] *What Makes Children's Hospitals Unique*, CALIFORNIA CHILDREN'S HOSPITAL ASSOCIATION, https://www.ccha.org/learn-about-childrens-hospitals/what-makes-hospitals-unique ["*What Makes Children's Hospitals Unique*"], (last visited Sept. 15, 2024).
[64] *Children's Hospital Funding*, CALIFORNIA CHILDREN'S HOSPITAL ASSOCIATION, https://www.ccha.org/learn-about-childrens-hospitals/childrens-hospital-financing ["*Children's Hospital Funding*"], (last visited Sept. 15, 2024).

misdiagnoses.[65] Children's hospitals also require unique medical equipment.[66] A recent report across the country shows that only 6% of hospital emergency rooms had all of the recommended pediatric equipment.[67]

C. Key Differences between the Proposition and Bill

SB 159 was introduced by the Committee on Budget and Fiscal Review: Health on January 18, 2023. The purpose of this bill was to make technical and clarifying statutory revisions to healthcare programs to implement the Budget Act of 2024.[68] AB 164 was introduced that same day by the Assembly Committee on Budget and Fiscal Review.[69] AB 164 was introduced to appropriate budget funds for state governments.[70] Through compromise, these budget bills were amended to allocate funding for California Children's Hospitals. Governor Newsom signed both budget bills on June 29, 2024.[71]

SB 159 contains two relevant provisions. First, it authorizes the Department of Health Care Services to establish or revise its reimbursement methods to increase California Children's Hospital reimbursements.[72] Second, it allocates $115 million annually to support these methods of directed payment reimbursements.[73] More broadly, it funds the Department of Health Care Services to support California Children's Hospitals.[74]

Ann-Louise Kuhns, President and CEO of the California Children's Hospital Association, worked with state officials on this legislative compromise. When discussing the differences between the proposition and the bill, she highlighted one coincidence: while the compromise conversation was in the works, the federal government came out with a proposal to negotiate pricing and payment with drug companies.[75] The federal proposal would allow California Children's Hospitals to use the funding for other priorities of the proposition by decreasing the funds toward drug payment.

The funding from the compromise, Kuhns explained, will be used to "sustain access to these special care centers."[76] Members have been struggling with maintaining their clinics on the outpatient side, so the goal of the funding is to preserve access to those services.[77] While the funding may not accomplish all the individual goals of the proposition, Kuhns believes it will still

[65] *What Makes Children's Hospitals Unique*, *supra* note 63.
[66] *Id*.
[67] *Id*.
[68] SB 159, 2024 Leg., 2023–2024 Reg. Sess. (Cal. 2024).
[69] *Governor Newsom signs 2024 state budget supporting fiscal stability and core programs*, CA.GOV (Jun. 29, 2024), https://www.gov.ca.gov/2024/06/29/governor-newsom-signs-2024-state-budget-supporting-fiscal-stability-and-core-programs/ ["*Governor Newsom signs 2024 state budget*"], (last visited Sept. 24, 2024).
[70] SB 164, 2024 Leg., 2023–2024 Reg. Sess. (Cal. 2024).
[71] *Id*.; SB 159, 2024 Leg., 2023–2024 Reg. Sess. (Cal. 2024).
[72] *Id*.
[73] *Id*.
[74] *Governor Newsom signs 2024 state budget*, *supra* note 69.
[75] Kuhns Interview, *supra* note 35.
[76] *Id*.
[77] *Id*.

go a long way in expanding access to California Children's Services.[78] Specifically, this funding will help expand access to outpatient care because Medi-Cal is low on the outpatient side.[79] The funds will be distributed based on inpatient and outpatient distribution with a design to improve access.[80] Kuhns explains that the primary goal of the California Children's Hospitals in using this fund is "to make sure we can continue to provide those services to those families."[81]

III. PUBLIC POLICY ISSUES

A. Proponents' Arguments

Ann-Louise Kuhns is the leading proponent of this proposition. She represents the committee of children's hospitals. The proposition's goal, Kuhns explains, was to modernize California Children's Services.[82] She explains how the financial eligibility requirements are outdated, as the program was initially made to help all families.[83] Providers are also paid on a fee-for-service basis, but the rates have not been increased.[84] With new curative drugs being developed, the program must be updated to accommodate this.[85] Kuhn says these drugs can cost around $3 million per dose, but they can be essential to these children's care.[86] Overall, proponents want to "make the program sustainable for providers and families."[87]

Proponents argue that treating a child with a chronic or critical condition requires specialized care.[88] They focus on the need for "special care centers" that provide whole-person care for children and their families and encompass the full range of care needed.[89] Proponents' main goal is to find the best way to support children, so they were willing to compromise. Kuhns says, "We can play a role on shining a light on the program and the needs of the program, and we want to continue to do that."[90]

B. Opponents' Arguments

There were no opponents of this proposition. The only concern came from the Legislature, as members were concerned about the state budget and the fiscal challenges of the proposition.[91] Although they support California Children's Services, Kuhns explains that the government did not want to "lock in these changes in perpetuity."[92]

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[78] *Id.*
[79] *Id.*
[80] *Id.*
[81] *Id.*
[82] *Id.*
[83] *Id.*
[84] *Id.*
[85] *Id.*
[86] *Id.*
[87] *Id.*
[88] *Id.*
[89] *Id.*
[90] *Id.*
[91] *California to Expand Funding for Children's Hospitals*, *supra* note 6; Kuhns Interview, *supra* note 35.
[92] *Id.*

Governor Newsom made the following statement when announcing the compromise:

In California, our children are not just our future – they are everything to the families that love them and the friends who play next to them. For the children suffering from the worst and most serious illnesses, we must support the hospitals that give them a fighting chance to live and thrive. I'm pleased we were able to provide this additional financial assistance and avoid a costly ballot initiative.[93]

IV. CAMPAIGN FINANCES

There is one identified committee, "Because We Need Affordable Life-Saving Healthcare for our Critically Ill Children," in support of the proposition.[94] The California Children's Hospital Association sponsors the committee.[95] The proponents, through this committee, raised approximately $9,999,500.[96] From this funding, $1,019,691 was spent in 2023 and $7,776,385 in 2024.[97] It was used for petition circulation, campaign consulting, professional services (legal, accounting), TV airtime, polling, and survey research.[98] The top contributors are children's hospitals.[99] While there is an odd juxtaposition of these hospitals spending their money on a cause to give them more money, it was an investment into sustaining the California Children's Services program long–term. Their contributions show the importance of the proposition. After the compromise was made, the contributors were each refunded $200,000.[100] No identified committees for opponents have been identified and $0 has been raised on their behalf.[101]

Figure 1. Total Financial Contributions and Expenditures in 2024.[102]

	CASH CONTRIBUTIONS	IN-KIND CONTRIBUTIONS	TOTAL CONTRIBUTIONS	CASH EXPENDITURES	TOTAL EXPENDITURES
SUPPORT	$9, 999, 500.00	$0.00	$9, 999, 500.00	$7, 776, 384.99	$7, 776, 384.99
OPPOSE	$0.00	$0.00	$0.00	$0.00	$0.00

[93] *California to Expand Funding for Children's Hospitals*, *supra*, note 6.
[94] *Campaign Finance: Because We Need Affordable Life-Saving Healthcare For Our Critically Ill Children, Sponsored By California Children's Hospital Association*, CAL-ACCESS, https://cal-access.sos.ca.gov/Campaign/Committees/Detail.aspx?id=1464048&view=general ["*Campaign Finance: California Children's Hospital Association*"], (last visited Sept. 23, 2024).
[95] *Id*.
[96] CCS BALLOTPEDIA, *supra* note 21.
[97] *Campaign Finance: California Children's Hospital Association*, *supra*, note 94.
[98] *Id*.
[99] *Id*.
[100] *Id*.
[101] CCS BALLOTPEDIA, *supra* note 21.
[102] *Campaign Finance: California Children's Hospital Association*, *supra* note 94.

Figure 2. Top Financial Contributions. [103]

CONTRIBUTORS	AMOUNT GIVEN	AMOUNT REFUNDED
Children's Hospital Los Angeles	$1,428,500.00	$200,000.00
Children's Hospital of Orange County	$1,428,500.00	$200,000.00
Loma Linda University Children's Hospital	$1,428,500.00	$200,000.00
Lucile Packard Children's Hospital	$1,428,500.00	$200,000.00
MemorialCare Health System and Affiliates	$1,428,500.00	$200,000.00
Rady Children's Hospital - San Diego	$1,428,500.00	$200,000.00
UCSF Benioff Children's Hospital	$1,428,500.00	$200,000.00

V. FISCAL CONSIDERATIONS

The proposition could have increased costs to the state general fund from hundreds of millions to around a billion dollars annually.[104] Across various fund sources, California spends $2 billion annually on the California Children's Services program.[105]

There are two parts of the proposition that would have caused uncertainty in costs.[106] The first is the financial assistance program, which would assist families who are not eligible for California Children's Services based on income.[107] The cost is uncertain due to the unknown number of families qualifying for this assistance, which would choose to participate, and how much assistance would be provided.[108] The Department of Health Care Services would have determined how much financial assistance to provide.[109] The second is increased payments to California Children's Services providers.[110] This includes hospital grants, payments to California Children's Services providers, and direct payment for the cost of drugs.[111] The impact is, again, unknown due to limited data.[112]

[103] *Id.*
[104] *Proponent Withdraws Initiative to Expand State Health Care Program for Children with Certain Medical Conditions*, *supra* note 41.
[105] Petek LAO Letter, *supra* note 13.
[106] *Id.*
[107] *Id.*
[108] *Id.*
[109] *Id.*
[110] *Id.*
[111] *Id.*
[112] *Id.*

The proposition brings up other potential fiscal impacts.[113] Requiring the Department of Health Care Services to re-evaluate the list of qualifying diseases every five years could increase costs.[114] With more qualifying diseases, more children would likely be enrolled in California Children's Services, and therefore, the costs would increase. The Legislative Analyst's Office also predicted larger amounts of payments to providers could have impacted California Children's Services uses and children's health outcomes, causing corresponding impacts to spending.[115]

The legislative compromise was made due to budget concerns.[116] SB 159, the bill from the compromise, will result in lower costs to the general fund.[117]

VI. BROADER IMPLICATIONS

A. <u>Health Care Equity and Access</u>

The California Children's Services program annually serves approximately 200,000 Californian children who are critically or chronically ill.[118] The compromise provides additional funding to the Department of Health Care Services to support California Children's Hospitals, allowing California Children's Services to continue and expand its program.[119] Governor Newsom's office believes it will "help support medical care for critically ill children and those fighting the most serious and life-threatening diseases."[120]

Children with medical complexities comprise less than 1% of the pediatric population, accounting for nearly one-third of healthcare costs.[121] In California, 3 in 7 children are covered by Medi-Cal, yet California ranks 47th out of all states in Medicaid reimbursement rates.[122] Medi-Cal, on average, only covers 74% of a hospital's total cost to provide care.[123]

This compromise will help decrease the gap in healthcare accessibility for children with certain conditions. Kuhns believes the program is small but essential.[124] Further efforts will be necessary to modernize the program to make it sustainable.[125] She explains that being one of the, if not the, oldest public health care programs in the country shows their importance and their need for modernization.[126]

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113 *Id.*
114 *Id.*
115 *Id.*
116 *California to Expand Funding for Children's Hospitals*, *supra* note 6.
117 *Id.*
118 Petek LAO Letter, *supra* note 13.
119 *California to Expand Funding for Children's Hospitals*, *supra* note 6.
120 *Id.*
121 Caitlin Koob, *Bridging the Gaps in Pediatric Complex Healthcare*, https://bmchealthservres.biomedcentral.com/articles/10.1186/s12913-024-11235-1, (last visited Sept. 15, 2024).
122 *Children's Hospital Funding*, *supra* note 64.
123 *Id.*
124 Kuhns Interview, *supra* note 35.
125 *Id.*
126 *Id.*

B. Possibility of Return to the Ballot

This issue possibly could return to the ballot in a future year. When questioned about the possibility of return, Kuhns said this is not one and done.[127] The California Children's Hospital Association attempted a bill in 2023 with these same goals, which died in the Legislature.[128] They may attempt to do so again or might engage with the Governor's administration.[129] With the funding from the compromise and the movement on the federal level with drug costs, some goals of this proposition will be accomplished.[130] The main issue that remains is the need for California Children's Services to be modernized.[131] Although Kuhns believes that will happen in the future, the California Children's Hospital Association have not yet had these conversations, as they are currently focused on making the compromise work in the best way.[132]

In addition to previous legislative attempts, there have been three approved initiatives, each titled the Children's Hospital Bond Acts.[133] These initiatives, of 2004, 2008, and 2018, were passed by California voters to fund grants for children's hospitals.[134] The success of past initiatives shows that a future attempt may be successful once the budget allows for it.

Kuhns explained, "Maybe this wasn't the right year to take a big bite out of the apple to try to resolve all the problems in the program," but the program still needs modernization, and they are going to continue to work on it.[135] Their focus is on making California Children's Services accessible and sustainable. When explaining the need for further change, Kuhns said they were willing to compromise because "We wanted to balance the need to support our families [...] with being a good partner to other state policymakers and recognizing there was a lot of things going on at the state level."[136]

VII. CONCLUSION

The California Children's Services program has provided financial support to families of chronically or critically ill children since 1927.[137] The withdrawn proposition would have modernized the program to specify qualifying diseases, add new financial assistance programs, increase provider payments, re-evaluate every five years, and dictate how supportive funding could be used.[138]

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127 *Id.*
128 *Id.*
129 *Id.*
130 *Id.*
131 *Id.*
132 *Id.*
133 *Children's Hospital Program*, CALIFORNIA STATE TREASURER, https://www.treasurer.ca.gov/chffa/hospital.asp, (last visited Sept. 15, 2024).
134 *Id.*
135 Kuhns Interview, *supra* note 35.
136 *Id.*
137 Petek LAO Letter, *supra* note 13.
138 CCS BALLOTPEDIA, *supra* note 21.

Due to concerns with the state budget, the California Children's Hospital Association worked with Governor Newsom to make a compromise.[139] The compromise reflected in SB 159 provides additional funding to the Department of Health Care Services to support California Children's Hospitals.[140] California Children's Hospital Association leaders are focused on making the compromise work to best support California Children's Services.[141] While proponents agree that the compromise was the right decision for California right now, they believe that the modernization of the California Children's Services program is still needed, and they will continue to figure out the best way to address this.[142]

[139] *California to Expand Funding for Children's Hospitals*, *supra* note 6.
[140] *Id*.
[141] Kuhns Interview, *supra* note 35.
[142] *Id*.

High School Financial Literacy

I. INTRODUCTION TO A FINANCIAL LITERACY REQUIREMENT IN HIGH SCHOOLS

The "California Require Personal Finance Course for High School Graduation Initiative (2024)" marks a significant step in the state's educational reform efforts.[143] It sought to introduce a financial literacy requirement for high school graduation, taking effect with the class of 2029–2030.[144] Governor Newsom has endorsed the measure, emphasizing the importance of equipping students with essential financial skills such as budgeting, saving, and managing credit to prepare them for the economic challenges they will face post-graduation.[145] The one-semester course is designed to address the growing national focus on financial education.[146]

Currently, only 1% of California high schoolers are required to take a personal finance course, and only 27% of students attended a high school with a personal finance course available as an elective.[147] Compared to 53% of students required nationally, California is behind the trends.[148] Alabama, Iowa, Mississippi, Missouri, Nebraska, North Carolina, Rhode Island, Tennessee, Utah, and Virginia, as well as 16 additional states by 2031, all have a personal financial literacy requirement.[149] Although financial literacy is introduced at earlier grade levels, the depth of focus on practical financial skills remains limited, with much of the content left to individual teachers' discretion. This initiative seeks to address that gap and provide a more structured and comprehensive approach to financial education, fitting into California's broader educational reform goals and the nationwide trend toward enhancing financial literacy in schools.[150]

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143 *California Require Personal Finance Course of High School Graduation Initiative*, BALLOTPEDIA, https://ballotpedia.org/California_Require_Personal_Finance_Course_for_High_School_Graduation_Initiative_(2024) ["*California Require Personal Finance Course,* BALLOTPEDIA"], (last visited Sept. 24, 2024).
144 *Id*.
145 *California to Add Financial Literacy as a Requirement to Graduate High School*, CA.GOV (Jun. 27, 2024), https://www.gov.ca.gov/2024/06/27/california-to-add-financial-literacy-as-a-requirement-to-graduate-high-school/ ["*California to Add Financial Literacy*"], (last visited Sept. 24, 2024).
146 *Id*.
147 Timothy Ranzetta, *Op-ed: California's Personal Finance Education Requirement is a Commitment to Future Generations*, Consumer News and Business Channel (Jul. 2, 2024), https://www.cnbc.com/2024/07/02/op-ed-california-financial-literacy-law-is-a-commitment-to-the-future.html#:~:text=Currently%20in%20California%2C%20a%20personal,Compare%20that%20to%2053%25%20nationally (last visited Sept. 18, 2024); Hannah Rael, *California Becomes 26th State to Guarantee a Personal Finance Course for High School Students*, Next Gen Personal Finance (Jul. 1, 2024), https://www.ngpf.org/blog/press-releases/california-becomes-26th-state-to-guarantee-a-personal-finance-course-for-high-school-students/, (last visited Sept. 18, 2024); *California Require Personal Finance Course,* BALLOTPEDIA, *supra* note 143.
148 *Id.*
149 *Id.*
150 Emma Donahue, *Passing Legislation Is Just the Beginning: A 2024 Legislative Review of K–12 Financial Education Requirements*, NEFE (Aug. 16, 2024), https://www.gov.ca.gov/2024/06/27/california-to-add-financial-literacy-as-a-requirement-to-graduate-high-school/ (last visited Sept. 20, 2024).

Although nearly 900,000 signatures were gathered, well above the required threshold of 546,651 required for qualifications of a statutory initiative, the initiative was withdrawn before proceeding through the final stages of qualification.[151] Its objectives will now be accomplished through AB 2927. On June 29, 2024, Governor Newsom signed AB 2927 into effect.[152] AB 2927 will make a personal finance education course available in all California high schools by the 2027–2028 school year and a personal finance graduation requirement by 2030–2031.[153]

II. THE LAW

A. Current Law

California does not currently have a standalone financial literacy requirement for high school graduation. The only discussion of financial concepts appears in economics courses that are a part of the high school required curriculum.

Previous attempts at enacting a financial literacy requirement have failed, including SB 342 from the 2023–2024 Session Year.[154] Thus, prior to the implementation of AB 2927, financial literacy education remains an elective available to 27% of high school students or supplementary topic rather than a core graduation requirement.

B. Proposed Law

The proposition aimed to integrate financial literacy education into the state's public-school curriculum. The law would have mandated that high school students complete a financial literacy course as a graduation requirement. The curriculum would cover essential topics such as budgeting, credit, debt management, taxes, and investing. By equipping students with practical financial skills, the proposition sought to better prepare them for real-world financial decisions and responsibilities.

AB 2927, introduced by Assemblymember Kevin McCarty, proposed a financial literacy requirement similar to what was outlined in the now-removed ballot initiative.[155] Under AB 2927, financial literacy will now become a mandatory part of the high school curriculum for graduation beginning in the 2030–2031 school year.[156] Without early education on financial literacy, Californians are left unprepared to manage money, credit, and investments.[157] Financial literacy is crucial for bridging equity gaps and empowering students with essential life skills.[158]

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[151] *Id.*
[152] *Governor Newsom signs 2024 state budget*, *supra* note 69.
[153] Rael, *supra* note 147; *California to Add Financial Literacy, supra* note 145.
[154] SB 342, 2023 Leg., 2023–2024 Reg. Sess. (Cal. 2023) (as introduced on Feb. 7, 2023, but not enacted).
[155] AB 2927, 2024 Leg., 2023–2024 Reg. Sess. (Cal. 2024).
[156] *Id.*
[157] California Department of Education, *Financial Literacy*, CA.GOV (Sept. 7, 2023), https://www.cde.ca.gov/eo/in/fl/index.asp ["*Financial Literacy*, CA.GOV"], (last visited Sept. 22, 2024).
[158] Madeline Gray, *California High Schools Will Require Personal Finance Course for Graduation Under New Bill*, OCDE Newsroom (Jun. 28, 2024), https://newsroom.ocde.us/california-high-schools-will-require-personal-finance-course-for-graduation-under-new-bill/#:~:text=Gavin%20Newsom%20signed%20Assembly%20Bill,for%20graduating%20high%20school%20seniors, (last visited Sept. 23, 2024).

In a press release, the State Superintendent of Public Instruction Tony Thurmond stated, "Our young people need and deserve a clear understanding of personal finance so that they can make educated financial choices and build stable, successful futures for themselves and their future families."[159] Governor Newsom, who has championed this initiative, emphasized that equipping students with financial skills such as budgeting, saving, and managing credit will help them navigate the complexities of the modern economy.[160]

By focusing on practical financial knowledge, the proposed law seeks to empower students to make informed decisions and build a foundation for economic stability, addressing individual and societal financial well-being.[161]

C. Key Differences between the Proposition and Bill

The California Require Personal Finance Course for High School Graduation Initiative and AB 2927 both seek to mandate financial literacy as a high school graduation requirement in California. They differ only in their timelines for implementation, not in their substance.

The initiative, driven by public interest and advocacy groups, wanted the requirement to begin as early as the 2029–2030 academic year.[162] In contrast, AB 2927 will require financial literacy as a graduation requirement for the class of 2030–2031.[163] It also requires the course offered at all schools by the 2027–2028 school year.[164]

III. PUBLIC POLICY ISSUES

A. Proponents' Arguments

Proponents of the initiative and the new legislation argue that the long-term benefits of cultivating a financially literate population are significant for individual success and the economy's overall health.[165] Ensuring that young adults are equipped with the tools necessary to avoid crippling debt and make informed financial decisions is essential for fostering a stable and prosperous society.[166] Financially literate individuals are better equipped to make informed decisions regarding savings, investments, and debt management, which contributes to the health of the economy by reducing the likelihood of financial crises caused by poor personal financial management.[167] Moreover, a comprehensive financial education could play a critical role in

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159 *Id.*
160 *California to Add Financial Literacy, supra* note 145.
161 *Id.*
162 *California Require Personal Finance Course* BALLOTPEDIA, *supra* note 143.
163 Rael, *supra* note 147; *California to Add Financial Literacy, supra* note 145.
164 *Id.*
165 Commercial Bank of California, *The Importance of Financial Literacy Education*, Commercial Bank of California, https://cbcal.com/financial-literacy-importance-education/ ["*The Importance of Financial Literacy Education*, Commercial Bank of California"].
166 *Id.*
167 *Id.*

addressing the wealth gap, particularly by empowering students from disadvantaged backgrounds with knowledge that may otherwise be inaccessible. Research has shown that financial literacy education reduces wealth inequality by increasing the likelihood of savings and intelligent investments among lower-income populations.[168]

Additionally, proponents cite research findings that implementing financial literacy programs in K–12 education could yield significant extended-term benefits, improving individual mental health and contributing to a safer, more informed society, particularly for minority groups.[169] Mental health is highly impacted by financial awareness and status; effective financial education can alleviate stress and anxiety associated with financial insecurity, fostering better mental health.[170] Violence rates are also reduced by 3% to 11% among financially literate youths.[171]

Advocates like Timothy Ranzetta, co-founder of Next Gen Personal Finance and advocate for Next Gen Personal Finance Mission 2030, an affiliate, contend that a robust financial education equips young adults with the tools needed to navigate financial decisions and avoid pitfalls such as crippling debt.[172] A 2022 nationwide survey showed that 90% of American adults supported a financial literacy mandate.[173] Ranzetta also discussed other polling done with a 75% to 80% approval rate, and created focus groups to test and debunk opponents' arguments.[174] This backing helped Ranzetta's campaign for a financial literacy requirement in California high schools gain momentum. The initiative's success brought key stakeholders into the discussion. AB 2927 was passed, addressing issues not fully covered by the original proposal, such as who would develop the curriculum and how it would be implemented for the graduating class of 2031.[175]

B. Opponents' Arguments

Opponents raise several concerns regarding a financial literacy-mandated program in California schools. Specifically, they argue that its implementation risks further politicizing curriculum decisions, which should remain under the purview of educators and locally elected school boards.[176]

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[168] Blanco, L. R., et al., *Perspectives on Finances and Mental Health Status among Low-Income Los Angeles Latinas*. Journal of Financial Therapy (December 31, 2020), https://newprairiepress.org/cgi/viewcontent.cgi?article=1221&context=jft, (last visited September 20, 2024).
[169] *Id*.; Interview with Samuel Molina, Founding CEO, The Academy of Financial Education (Sept. 11, 2024) [Molina Interview] (notes on file with the *California Initiative Review*).
[170] Donahue, *supra* note 150.
[171] Tim Kaiser and Lukas Menkoff, *Does Financial Education Impact Financial Literacy and Financial Behavior, and If So, When?*, https://documents1.worldbank.org/curated/en/144551502300810101/pdf/WPS8161.pdf, (last visited Sept. 20, 2024).
[172] *The Importance of Financial Literacy Education*, Commercial Bank of California, *supra* note 165.
[173] Carolyn Jones, *California could require kids to learn how to manage money. Should voters decide curriculum?*, CALMATTERS (May 6, 2024), https://calmatters.org/education/k-12-education/2024/05/personal-finance-class/, (last visited Sept. 24, 2024).
[174] Ranzetta Interview, *supra* note 11.
[175] *Id*.
[176] Interview with Morgan Polikoff, Professor, University of Southern California (Sept. 10, 2024) [Polikoff Interview] (notes on file with the *California Initiative Review*).

Morgan Polikoff, a professor at the University of Southern California, does not support the notion that decisive changes in curriculum should be in the hands of the general public, with much of their decision-making resting on that of their politicians of choice.[177] The growing politicization of curriculum decisions, driven by ballot initiatives and outside interest groups, threatens to undermine the local control of schools.[178] Curriculum development, critics contend, should be driven by local school boards and teachers who understand the unique needs of their students rather than statewide mandates influenced by political interests.[179] Polikoff asserts that most voters are not informed about education policy, and allowing decisions to be made by an uninformed person is not in the students' best interest.[180] This tension underscores the debate between state intervention and local autonomy in educational policy, with opponents concerned that top-down mandates might not reflect the educational priorities or logistical constraints of individual districts.

Similarly, Bruce Fuller, a professor at the University of California, Berkeley, contends that teachers are better positioned to determine the educational needs of their students, free from political influence.[181] Fuller questions whether increasing graduation requirements effectively engages students, arguing that reducing elective options may ultimately lower their motivation.[182] In line with their positions, concerns about the practicality of incorporating another required course in an already slim high school schedule arise, given that most schools offer between six and eight periods in one semester or year.[183]

Historically, efforts to mandate financial literacy education in California had faced challenges, with numerous bills introduced but ultimately vetoed or rejected, such as in 2018 when Governor Jerry Brown dismissed a financial literacy proposal, noting that the subject was already integrated into the K–12 History-Social Science Framework and that a financial literacy elective was available.[184]

IV. CAMPAIGN FINANCES

The funding raised for the California Require Personal Finance Course for High School Graduation Initiative provides a revealing look into the financial backing of educational reform efforts. As of the latest data from Ballotpedia, the primary supporter of the initiative is Timothy Ranzetta.[185] Ranzetta personally contributed $5,011,380.69 to the initiative.[186] The substantial investment from Ranzetta underscores the broader national movement towards financial literacy education. His non-profit is already playing a pivotal role in providing free financial literacy resources to educators and students. Ranzetta's involvement suggests a strategic focus on long–term educational reform through grassroots and legislative efforts. This heavy financial backing also highlights how key individuals and organizations can influence policy through well–funded

[177] *Id.*
[178] *Id.*
[179] *Id.*
[180] Jones, *supra* note 173.
[181] *Id.*
[182] *Id.*
[183] *Id.*
[184] *Id.*
[185] *California Require Personal Finance Course* BALLOTPEDIA, *supra* note 143.
[186] *Id.*

initiatives. In a state like California, where ballot initiatives require millions of dollars to gather sufficient signatures and build awareness, the financial muscle provided by Ranzetta was crucial for advancing the measure and compelling the Legislature to review its objectives.

Interestingly, the campaign finance landscape shows no significant financial opposition to the initiative.[187] The lack of funding could be due to the general popularity of financial literacy education, or it might reflect that critics, such as education experts concerned with overloading high school curricula, have not mobilized financially to block the initiative. It might also be indicative of how under–resourced the education field is compared to private companies operating in the same sphere.

Figure 1. Total Financial Contributions and Expenditures.[188]

	CASH CONTRIBUTIONS	IN-KIND CONTRIBUTIONS	TOTAL CONTRIBUTIONS	CASH EXPENDITURES	TOTAL EXPENDITURES
SUPPORT	$213,025.00	$7,624,377.69	$7,837,402.69	$7,229,854.83	$14,854,232.52
OPPOSE	$0.00	$0.00	$0.00	$0.00	$0.00

Figure 2. Top Donors who Contributed to the Support Committee.[189]

DONOR	CASH CONTRIBUTIONS	IN-KIND CONTRIBUTIONS	TOTAL CONTRIBUTIONS
Timothy Ranzetta	$0.00	$5,011,380.69	$5,011,380.69
Bill Gurley	$200,000.00	$0.00	$200,000.00
Jennifer Sweeney	$10,000.00	$0.00	$10,000.00
Ronny Conway	$500.00	$0.00	$500.00
Sabrina Burton	$500.00	$0.00	$500.00

V. FISCAL CONSIDERATIONS

Underfunded school districts are at risk of struggling to integrate new curricula into their schools. Without the necessary resources educational quality and access gaps might come to fruition. A report from the Legislative Analyst's Office highlights these issues, emphasizing the long–term fiscal impact of mandating financial literacy education at a time when California's 2022

[187] *Id.*
[188] *Id.*
[189] *Id.*

ballot approved Proposition 28 funds are being allocated to other educational priorities.[190] This misallocation of funds could exacerbate existing financial constraints, leading to challenges in hiring qualified educators, developing curriculum materials, and providing adequate teacher training.[191] The report by the Legislative Analyst's Office suggests that the financial burden placed on districts already facing budgetary pressures may hinder effective implementation, thereby undermining the goal of preparing students for financial independence.[192] As a result, critics argue that the initiative, and now the compromise legislation, could inadvertently divert attention and resources away from other essential educational needs, ultimately compromising the overall effectiveness of the educational system in addressing both financial literacy and broader academic requirements.[193]

In response to concerns about the logistical challenges of implementing a financial literacy curriculum, Timothy Ranzetta and Samuel Molina have leveraged their respective nonprofit organizations to provide crucial support and resources to facilitate this transition in schools.[194] Next Gen Personal Finance, Ranzetta's organization, has provided a wealth of free financial literacy materials, teacher training, and curriculum development assistance, which have already benefited over 7,000 California educators.[195] Next Gen Personal Finance's resources aim to alleviate the financial burdens that schools may encounter when creating a new financial literacy curriculum; the tools assist districts in incorporating the new content into their existing frameworks without straining budgets.[196] Furthermore, Molina's nonprofit, The Academy of Financial Education, equips individuals with the tools necessary to navigate their financial journeys, particularly those in underserved communities.[197] By partnering with California schools, The Academy of Financial Education provides interactive workshops and resource materials designed to engage students and assist schools with planning and implementing financial literacy curricula.[198] Through their outreach efforts to disadvantaged communities, The Academy of Financial Education ensures all communities receive the training and resources needed to make financial literacy a reality.[199]

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[190] *The 2023–24 California Spending Plan Proposition 98 and K–12 Education*, Legislative Analyst's Office (Nov. 28, 2023), https://lao.ca.gov/Publications/Report/4818 ["*California Spending Plan*, Legislative Analyst's Office"], (last visited Sept. 22, 2024).
[191] *Id*.
[192] *Id*.
[193] Jones, *supra* note 173.
[194] Ranzetta Interview, *supra* note 11.; Molina Interview, *supra*, note 169.
[195] Jones, *supra* note 173.
[196] Ranzetta Interview, *supra* note 11.
[197] *Samuel Molina: Equipping Communities with Financial Literacy*, Here to Lead, https://heretoleadca.org/2023/10/04/samuel-molina-equipping-communities-with-financial-literacy/ ["*Equipping Communities with Financial Literacy*, Here to Lead"], (last visited Sept. 24, 2024).
[198] *Id.;* Molina Interview, *supra* note 169.
[199] *Id*.

VI. BROADER IMPLICATIONS

A. Educational Equity and Access

The passage of AB 2927 sets a significant precedent for education policy reform in California. Notably, it represents how perseverance through the initiative and legislative processes is imperative to progress. In February of 2023, after 20 years of legislative inaction, with former Governor Brown vetoing a recent attempt in 2018, Ranzetta, Next Gen Personal Finance, and other financial literacy leaders crafted a bill that was blocked in the Assembly and Senate committees.[200] Consequently, they pursued their objective through the initiative process, taking the bill and modifying it to qualify for the 2024 ballot.[201] In January and February of this year, significant conversations with stakeholders commenced, and an agreement was reached to pursue education reform through the legislature instead of the voters.[202] Ranzetta expressed his optimism about this agreement, with the bill addressing action items not included in the initiative, such as who will develop the standards and provide the curriculum guidance, who will teach the course, and what specific credentials teachers need; it also reached the result through the method financial literacy leaders initially wanted.[203] Specifically, Ranzetta stated, "Without ballot initiative, the legislation would have gone nowhere again… Having a ballot initiative, which was going to pass, brought people to the table, and I think the end result was a better one."[204]

Moreover, by standardizing education on critical financial topics like budgeting, saving, and understanding credit, this reform will contribute to closing financial literacy gaps, especially for students from underserved communities. It embodies the growing recognition of the need to equip students with practical life skills that transcend traditional academic subjects, offering an essential step toward educational equity.

Financial literacy at an early age can promote better decision–making, reduce poverty, and foster financial stability.[205] Empowering students with these skills can have a ripple effect, potentially leading to higher rates of homeownership, lower debt burdens, and a more financially literate population overall.[206] The long–term social and economic impacts may also include improved mental health and reduced inequality as students learn to manage their financial lives effectively and avoid common pitfalls that exacerbate economic stress.[207]

However, there are concerns about the precedent set by mandating curriculum changes through ballot initiatives. While this particular reform seems beneficial, it opens the door for future campaigns that might push for politically motivated or less advantageous curriculum changes. Educational policies set through popular vote rather than through the legislative process or by educational experts may lead to curriculum shifts that serve political agendas rather than the best

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[200] Ranzetta Interview, *supra* note 11; Jones, *supra* note 173.
[201] Ranzetta Interview, *supra* note 11.
[202] *Id.*
[203] *Id.*
[204] *Id.*
[205] *The Importance of Financial Literacy Education*, Commercial Bank of California, *supra* note 165.
[206] Molina Interview, *supra* note 169.
[207] *Id.*

interests of students.[208] Careful consideration of the potential for unintended consequences is essential as California navigates the balance between voter-driven education reform and maintaining an evidence-based, non-partisan approach to shaping the state's curriculum.

B. Possibility of Return to the Ballot

While the specific topic of financial literacy education is unlikely to reappear on the ballot, the success of the polling on the initiative spurred legislative action, leading to the passage of AB 2927.[209] This demonstrates how voter–driven movements can influence lawmakers to address pressing educational issues. Moving forward, other educational reforms may take a similar route, using ballot initiatives to push legislators to act on topics such as curriculum changes, equity in access, or technology in schools. This trend suggests a growing reliance on direct democracy to spark legislative responses in education policy, even when the issue does not return to the ballot.

VII. CONCLUSION

The "California Require Personal Finance Course for High School Graduation Initiative" marks a pivotal moment in the state's educational reform efforts. Though the original proposition was withdrawn, its key objectives have been realized through the passage of AB 2927, which Governor Newsom recently signed into law.[210] This legislative action ensures that starting in the 2027–2028 school year, all California high schools will offer a personal finance course, and by the class of 2030–2031, financial literacy will become a graduation requirement.[211] This reform aims to address the current gap in financial education, where only 1% of California students are required to take such a course, compared to more comprehensive programs in other states.[212] By providing structured instruction in essential financial skills such as budgeting, saving, and managing credit, AB 2927 prepares students for the economic realities they will face in adulthood. As part of a broader national movement toward enhancing financial literacy in schools, this legislation reflects California's commitment to equipping future generations with the tools they need to navigate personal finance successfully.

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[208] Polikoff Interview, *supra* note 176.
[209] Ranzetta Interview, *supra* note 11.
[210] *Governor Newsom signs 2024 state budget*, *supra* note 69.
[211] Rael, *supra* note 147; *California to Add Financial Literacy, supra* note 145.
[212] *California Require Personal Finance Course* BALLOTPEDIA, *supra* note 143.

CONCLUSION

This year, significant legislative compromise and progress was achieved.[213] These initiatives, aimed to support and protect California's youth, were ultimately addressed through legislation rather than the ballot.[214] This shift from direct voter action to legislative solutions reflects a more collaborative policy-making approach.

The California Children's Services program has long been providing financial support to families of chronically or critically ill children since 1927.[215] The withdrawn proposition aimed to modernize this program by specifying qualifying diseases, introducing new financial assistance programs, increasing payments for providers, and re-evaluating the program every five years.[216] However, due to budgetary concerns, the California Children's Hospital Association collaborated with Governor Newsom to reach a compromise reflected in SB 159, allocating additional funding to the Department of Health Care Services.[217] This compromise aims to bolster support for California Children's Hospitals.[218] The California Children's Hospital Association still recognizes an ongoing need to modernize the California Children's Services program but has not determined the best path to do so.[219]

Similarly, the financial literacy initiative transitioned into legislation that mandated a personal finance course and established standards, curriculum guidance, and teacher credential requirements.[220] The legislation and initiative were innately similar, without any major differences outside of the requirement taking effect in schools with the class of 2030-2031.[221] This comprehensive framework equips students with life skills, empowering them to navigate the complexities of personal finance in an increasingly challenging economic landscape.[222]

By engaging in legislative compromise, proponents of these initiatives and California's legislature have empowered California's youth with essential financial skills and improved healthcare for vulnerable children. This illustrates the power of compromise and legislative action in addressing the state's most pressing issues. While we may see these or similar issues return to the ballot, these compromises best serve California, its economy, and its people right now.

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213 Koseff, *supra* note 1.
214 *Id*.
215 Petek LAO Letter, *supra* note 13.
216 *Id*.
217 *California to Expand Funding for Children's Hospitals*, *supra* note 6.
218 *Id*.
219 Kuhns Interview, *supra* note 35.
220 Ranzetta Interview, *supra* note 11.
221 *Id*.
222 Gray, *supra* note 158.