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## SENATE COMMITTEE ON EDUCATION

Senator Carol Liu, Chair  
2015 - 2016 Regular

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**Bill No:** AB 1426  
**Author:** Cooper  
**Version:** June 22, 2016  
**Urgency:** No  
**Consultant:** Lynn Lorber and Olgalilia Ramirez  
**Hearing Date:** June 29, 2016  
**Fiscal:** Yes

**Subject:** After school programs

**NOTE:** This bill has been amended to replace its contents and this is the first time the bill is being heard in its current form.

### SUMMARY

This bill increases the per student daily and weekly rates for the After School Education and Safety program, and eliminates the requirement for the after school component of the program to operate at least until 6 p.m. on regular schooldays.

### BACKGROUND

Existing law establishes:

- 1) The After School Education and Safety (ASES) program, consisting of before and after school academic enrichment. Priority for funding is granted to schools where at least 50% of the students are eligible for free or reduced price meals. ASES programs receive direct grants, where attendance is projected and grants are funded up-front, in three one-year increments. (Education Code § 8482, 8482.4, and § 8482.5)
- 2) The maximum total direct grant awarded annually for an *after school* program is \$112,500 for each regular school year for elementary schools and \$150,000 for middle or junior high schools (based on a formula of \$7.50 per student per day of attendance, at a maximum of \$37.50 per student per week). (EC § 8482.55 and § 8483.7)

Existing law continuously appropriates to the California Department of Education \$550 million from the General Fund for the After School Education and Safety (ASES) program. (EC § 8483.5)

Existing law:

- 1) Establishes the minimum wage of \$9.00 per hour on and after July 1, 2014, and \$10.00 per hour on and after January 1, 2016. (Labor Code § 1182.12)
- 2) Requires employers to provide at least one hour of paid sick time for every 30 hours worked, or a minimum of three days per year. (Labor Code § 246)

## ANALYSIS

This bill increases the per student daily and weekly rates for the After School Education and Safety (ASES) program, and eliminates the requirement for the after school component of the program to operate at least until 6 p.m. on regular schooldays. Specifically, this bill:

- 1) Increases the dollar amounts for the per student per day rate from \$7.50 to \$8.50, the per student per week rate from \$37.50 to \$42.50 and the per student per day of staff development rate from \$ 7.50 to \$8.50.
- 2) Requires the California Department of Education, beginning on or before April 1, 2017, and every six months thereafter, to report to the Legislature on progress in implementing these rate changes, unless or until the rate changes are fully implemented for all grantees.
- 3) Deletes the requirement for the after school component of the program to operate at least until 6 p.m. on regular schooldays.

## STAFF COMMENTS

- 1) ***Need for the bill.*** According to the Partnership for Child and Youth, “While the costs, demands and expectations of ASES programs have consistently increased, the funding has remained stagnant for a decade. Since 2007, the California Consumer Price Index has increased 19%, the state minimum wage has increased 33%, and state law now requires employers to offer 3 days of annual sick leave. Over the same time period, the ASES daily rate of \$7.50 per student has not increased and there is no legal authority for a cost-of-living adjustment, Under the current financing structure extremely conservative site level budget projections, including the local match, demonstrates that programs during the current year will have to operate with annual deficits of \$10,000-15,000 or more per program site.”
- 2) ***Practical effect.*** The maximum total direct grant awarded annually for an after school program is \$112,500 for each regular school year for elementary schools and \$150,000 for middle or junior high schools (based on a formula of \$7.50 per student per day of attendance, at a maximum of \$37.50 per student per week). This bill increases the daily rate but keeps the maximum total grant awards at current levels, thereby creating a new formula in relation to the maximum grant. The result is that programs will receive the same total funding, at a higher per student rate, which means fewer students will be served. Advocates contend that, without flexibility to reduce slots or an increase in funding, many ASES programs will have no choice but to close.  
  
Is it the Legislature’s desire to reduce slots for after school programs? Will reductions in slots be across the board, or will programs be affected differently? How will programs determine which students will continue to be served?
- 3) ***Budget issue.*** Existing law requires the continuous appropriation of \$550 million from the General Fund to the California Department of Education for the ASES

program. There have been several recent attempts to increase funding for the ASES program in consideration of the increase in the minimum wage as well as the requirement to provide paid sick days for employees. According to advocates, the average cost of an after school program is \$21 per student per day, nearly three times the amount provided for in statute. None of the attempts to provide additional funding have been successful; the Budget Act of 2016 does not provide an increased appropriation for the After School Education and Safety (ASES) program.

Should the Legislature increase the daily rate at the expense of slots when it has declined to provide an increase in funding via the budget process?

- 4) **Revenue from family fees.** Existing law does not require ASES programs to charge family fees or to conduct individual eligibility determinations based on need or income. It appears that ASES programs have the ability to charge family fees; however, it is unlikely that many programs charge fees, or reap significant fees, as ASES programs serve schools where a minimum of 50% of the students are eligible for free- or reduced-price meals, and funding priority is given to programs serving the highest percentages of students who are eligible for free and reduced-price meals.
- 5) **Subcommittee hearing.** The Senate Education Subcommittee on Community Schools held an informational hearing on March 25, 2015, featuring a panel on after school and out-of-school programs. This panel provided testimony relative to the effects the increases in minimum wage will have on the statutory funding levels and caps on per student daily rates for ASES programs (see Comment #1).
- 6) **Related legislation.** SB 645 (Hancock, 2016) appropriated to the ASES program \$54 million in the 2015-16 fiscal year, and \$72 million beginning in the 2016-17 fiscal year and every year thereafter, and created a cost of living adjustment linked to the California Consumer Price Index beginning in the 2017-18 fiscal year. SB 645 was held in the Assembly Appropriations Committee.

AB 2663 (Cooper) continuously appropriated \$73.3 million for the ASES program beginning with the 2016-17 fiscal year and adjusted the appropriation annually thereafter based on the California Consumer Price Index. AB 2663 was held in the Assembly Appropriations Committee.

AB 2615 (Wood, 2016) among other things, specifically authorizes ASES programs to charge family fees. AB 2615 is pending in the Senate Appropriations Committee.

AB 1567 (Campos, 2016) provides priority enrollment for homeless and foster care youth priority after school programs and prohibits a before and after program from charging family fees for a child that the program knows to be a homeless or foster care youth. AB 1567 is pending in the Senate Appropriations Committee.

**SUPPORT**

California After School Coalition  
LA's BEST  
Partnership for Children and Youth

**OPPOSITION**

None received on the current version of this bill.

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