
SENATE COMMITTEE ON EDUCATION

Senator Benjamin Allen, Chair

2017 - 2018 Regular

Bill No: SB 78 **Hearing Date:** April 19, 2017
Author: Leyva
Version: April 4, 2017
Urgency: No **Fiscal:** Yes
Consultant: Brandon Darnell

Subject: After school programs: grant amounts

SUMMARY

This bill appropriates to the After School Education and Safety (ASES) program an additional \$99,135,000 in the 2017-18 fiscal year and each fiscal year thereafter, and commencing with the increases to the minimum wage implemented during the 2018–19 fiscal year, and every fiscal year thereafter, requires the Department of Finance (DOF) to adjust the total ASES program funding amount of \$654,135,000 by adding an amount necessary to fund an increase in the daily pupil rate of 50 percent of each increase to the minimum wage.

BACKGROUND

Existing law:

- 1) Establishes the ASES program, passed by voters as Proposition 49 in 2002, which provides \$550 million annually for before and after school programs for K-9 students. Priority for funding is granted to schools where at least 50 percent 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) Sets the maximum total direct grant awarded annually for an after school program as \$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)
- 3) Sets maximum total grant awarded annually for a before school program as \$37,500 for each regular school year for elementary schools and \$49,000 for middle or junior high schools (based on a formula of \$5 per student per day of attendance, at a maximum of \$25 per student per week). (EC § 8483.75)
- 4) Provides for a summer grant to operate the program in excess of 180 days or during any combination of summer, intersession, or vacation for a maximum of the lesser of:
 - A) \$7.50 per student per day; or,

- B) 30 percent of the total grant amount awarded to the school per school year; or,
 - C) \$33,750 for elementary schools and \$45,000 for middle or junior high schools. (EC § 8483.7 and § 8483.76)
- 5) Continuously appropriates \$550 million from the General Fund to the California Department of Education (CDE) for the After School Education and Safety (ASES) program. (EC § 8483.5)
 - 6) Sets the minimum wage for all industries, on and after January 1, 2016, at \$10 per hour. (Labor Code § 1182.12)
 - 7) Sets the minimum wage for employers who employ 26 or more employees at \$11 per hour for the 2017 calendar year and commencing January 1, 2018, raises the minimum wage for these employers by \$1 per hour per year for five years, to \$15 per hour as of January 1, 2022. (LC § 1182.12)
 - 8) Sets the minimum wage for employers who employ 25 or fewer employees at \$10.50 per hour for the 2018 calendar year, raises the minimum wage for these employers \$11 for 2019 calendar year, and commencing January 1, 2020, raises the minimum wage for these employers by \$1 per hour per year for four years, to \$15 per hour as of January 1, 2023. (LC § 1182.12)
 - 9) Authorizes the Governor, if certain conditions are met, to temporarily suspend the scheduled minimum wage increases for one year, but no more than two times. (LC § 1182.12)
 - 10) 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 appropriates to the ASES program an additional \$99,135,000 in the 2017-18 fiscal year and each fiscal year thereafter, and commencing with the increases to the minimum wage implemented during the 2018–19 fiscal year, and every year thereafter, requires the Department of Finance (DOF) to adjust the total ASES program funding amount of \$654,135,000 by adding an amount necessary to fund an increase in the daily pupil rate of 50 percent of each increase to the minimum wage. Specifically, this bill:

- 1) For the 2017–18 fiscal year, and for each fiscal year thereafter, continuously appropriates \$99,135,000 from the General Fund to the CDE for the ASES program.
- 2) Commencing with the increases to the minimum wage implemented during the 2018–19 fiscal year, and each fiscal year thereafter, requires the DOF to adjust the total ASES program funding amount of \$654,135,000 by adding an amount necessary to fund an increase in the daily per-pupil rate of 50 percent of each increase to the minimum wage.

- 3) Requires California Department of Education (CDE) to adjust the total direct grant amounts and the daily pupil rate in accordance with the total amount provided for the After School Education and Safety (ASES) program that fiscal year.
- 4) Requires the additional funds appropriated by the bill for ASES program to count toward the Proposition 98 guarantee.

STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, “Funding for California’s After School Education and Safety (ASES) programs average daily attendance rates have not been increased since 2006 while minimum wage increased and state mandated sick leave have caused operating costs to rise. If there is no increase in funding, 29% of after school programs may have to close their doors completely within the next two years, which could potentially displace as many as 120,000 students. These programs provide students with academic and enrichment activities, offer necessary and affordable child care options for working families and keep children safely off the streets. They also provide a wide variety of benefits to participating students including: improved school attendance, English fluency, academic success, crime prevention, and social-emotional skill development.”
- 2) ***Family fees.*** Current 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 percent 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.
- 3) ***Budget issue.*** The Education Code requires the continuous appropriation of \$550 million from the General Fund to the CDE for the ASES program. This bill proposes to increase that appropriation by just over \$99 million in the 2017-18 fiscal year and every fiscal year thereafter, and to provide an annual cost adjustment, commencing in the 2018-19 fiscal year, sufficient to fund an increase in the daily pupil rate of 50% of each increase to the minimum wage. The Governor’s proposed 2017-18 Budget does not provide an increased appropriation for the ASES program. The Senate Budget Subcommittee on Education may wish to consider this funding proposal through the annual budget process.

Is it appropriate for this Committee to pass a bill that makes a significant appropriation of Proposition 98 funds? Passing this bill would signal this Committee’s desire to provide funds to ASES programs that are sufficient to mitigate the increases in the minimum wage. The decision of whether to provide additional funds will ultimately be made in the Budget Act. However, according to the author, “after school programs are cost effective and provide a return of \$2 to \$9 for every \$1 invested by the state.”

Staff recommends a technical amendment to change the total amount of funding for the ASES program referenced in the bill to \$649,135,000, not \$654,135,000.

- 4) **Governor's authority to suspend minimum wage increases.** Existing law authorizes the Governor to temporarily suspend scheduled minimum wage increases if certain conditions are met. It appears to staff that the required adjustments to the total ASES program funding by the Department of Finance (DOF) would not be triggered in a fiscal year in which the scheduled minimum wage increase is suspended by the Governor. The author may wish to clarify the bill's intent on this point.
- 5) **Previous legislation.** SB 645 (Hancock, 2016) would have authorized an After School Education and Safety (ASES) Program to suspend operation for up to five days in a fiscal year beginning January 1, 2016. SB 645 was held on the Suspense File in the Assembly Committee on Appropriations.

AB 1426 (Cooper, 2016), an urgency measure, would have increased the per-student daily and weekly rates for the ASES program, and eliminated the requirement for the after school component of the program to operate at least until 6 p.m. on regular schooldays. AB 1426 was held on the Suspense File in the Senate Committee on Appropriations.

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

SB 1221 (Hancock, Ch. 370, Stats. 2014) modified eligibility, types of grants, the amount of grants, and outcome measures of the ASES, the 21st Century Community Learning Centers, and the 21st Century After School Safety and Enrichment for Teens programs.

SB 429 (DeSaulnier, Ch. 626, Stats. 2011), authorized an ASES program provider to use supplemental grant funds to operate a six-hour program and establishes other parameters for programs operating summer, intersession or vacation programs, including by authorizing a program to be conducted at an offsite location or at an alternate schoolsite and authorizing a supplemental grantee to open eligibility to every pupil attending a school in the district with priority for pupils enrolled in the school that receive a grant.

SUPPORT

Academy of Alameda Middle School
 After-School All-Stars, Los Angeles
 Azusa Unified School District
 Boys & Girls Clubs of El Dorado County Western Slope
 Boys & Girls Clubs of Garden Grove
 Boys & Girls Clubs of Kern County

Boys & Girls Club of Lake Tahoe
Boys & Girls Clubs of Oceanside
Boys & Girls Clubs of North County
Boys & Girls Clubs of San Marcos
Boys & Girls Clubs of Simi Valley
Boys & Girls Clubs of the Peninsula
California Alliance of Boys & Girls Clubs
California Alternative Payment Program Association (CAPPA)
California Association for Health, Physical Education, Recreation and Dance
California Food Policy Advocates
California School-Age Consortium (CalSAC)
California State PTA
California Teaching Fellows Foundation
Child Care Alliance Los Angeles
Child Care Resource Center
Children Now
Children's Defense Fund
Children's Initiative
City of Downey
City of Los Angeles
DFS Group L.P.
EduCare Foundation
El Dorado County Early Care and Education Planning Council
Extended Child Care of Sonoma County
Family YMCA of the Desert
Fight Crime: Invest in Kids
Gilroy Unified School District
Julian Union School District
KinderCare Education
LA's Best After School Enrichment Program
League of California Cities
Lennox Enrichment Afterschool Program (Lennox LEAP), Lennox School District
Los Angeles County Office of Education
Los Angeles Unified School District
Monrovia Unified School District's Village Extended School Program
Moreno Valley Unified School District
Napa County Office of Education
Nigel Lythgoe Productions
Oceanside Unified School District
Pali Waves Basketball
Paramount Unified School District
Partnership for Children & Youth
Pomona Unified School District
Public Profit
Sacramento City Unified School District
San Luis Obispo County YMCA
San Mateo County Office of Education
San Ysidro School District
Santa Barbara County Education Office
Santa Barbara Unified School District

Schools on Wheels, Inc.
The Learning Connection (TLC) Program, Pomona Unified School District
Think Together
United Way of Greater Los Angeles
Ventura County Office of Education
Warner Bros. Records
Willits Kids Club
YMCA of Greater Whittier
YMCA of San Diego County
YMCA of San Francisco
YMCA of Silicon Valley
Youth Alliance
Youth Policy Institute
Numerous individuals

OPPOSITION

California Teachers Association

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