
SENATE COMMITTEE ON EDUCATION

Senator Connie Leyva, Chair

2019 - 2020 Regular

Bill No: AB 123 **Hearing Date:** July 10, 2019
Author: McCarty
Version: April 29, 2019
Urgency: No **Fiscal:** Yes
Consultant: Lynn Lorber

Subject: Early childhood education: state preschool program: access: standards.

SUMMARY

This bill expands the eligibility for State Preschool programs; increases the reimbursement rate for State Preschool and requires a portion of the increase to be used to increase the pay of teachers with a baccalaureate degree; requires State Preschool lead teachers to hold a baccalaureate degree by July 1, 2028; and establishes a program to provide financial support to early childhood education workers pursuing a baccalaureate degree.

BACKGROUND

Existing law:

- 1) Establishes the State Preschool program which includes part- and full-day age and developmentally appropriate programs designed to facilitate the transition to kindergarten for three- and four-year-old children in educational development, health services, social services, nutritional services, parent education and parent participation, evaluation, and staff development. (Education Code § 8235)
- 2) Provides that three-and four-year old children are eligible for part-day State Preschool if the family meets *at least one of the criteria in each of the two areas* listed below, which is the eligibility criteria for federal and state subsidized child development services:
 - a) A family is a current aid recipient; income eligible; homeless; or one whose children are recipients of protective services, or whose children have been identified as being abused, neglected, or exploited, or at risk of being abused, neglected, or exploited.
 - b) A family needs the child care services:
 - i) Because the child is identified by a legal, medical, social services agency, a local educational agency liaison for homeless children and youth, a Head Start program, or an emergency or transitional shelter as a recipient of protective services, or being neglected, abused, or exploited, or at risk of neglect, abuse or exploitation, or is homeless.

- ii) Because the parents are engaged in vocational training leading directly to a recognized trade, paraprofession or profession; engaged in an educational program for English language learners or to attain a high school diploma or general educational development certificate; employed or seeking employment; seeking permanent housing for family stability, or incapacitated. (EC § 8235 and 8263)
- 3) Defines "income eligible" as a family whose adjusted monthly income is at or below 70 percent of the state median income (SMI) until July 1, 2019 and thereafter is at or below 85 percent of the SMI, adjusted for family size, and adjusted annually. For purposes of establishing ongoing eligibility, a family's adjusted monthly income must be at or below 85 percent of the SMI, adjusted for family size. (EC § 8263.1)
- 4) Requires that *no more than 10 percent* of children enrolled in a State Preschool program may be filled by children in families above the income eligibility threshold, and only after all eligible three- and four-year old children have been enrolled, and provided the family income is no more than 15 percent above the income eligibility threshold. (EC § 8235)
- 5) Sets the reimbursement rate for full-day State Preschool, beginning July 1, 2018, to be \$12,070 and beginning with the 2019-20 fiscal year, to be increased by the cost-of-living adjustment granted by the Legislature annually, as specified. (EC § 8265)

ANALYSIS

This bill:

Eligibility for State Preschool

- 1) Expands eligibility for State Preschool by allowing a provider operating within the attendance area of a public school (other than a charter or magnet school) where at least 70 percent of students are eligible for free- or reduced-price meals to enroll four-year olds who *do not meet* State Preschool eligibility requirements, once all eligible children are enrolled first.
- 2) Requires enrollment to be limited to families living within the attendance area of the qualifying school.
- 3) Requires providers, to the best of their abilities, give first priority for enrollment to families with the lowest income.

Increased reimbursement rate

- 4) Establishes an increased reimbursement rate for full-day State Preschool of \$14,062.50 and requires annual cost-of-living adjustments.

- 5) Requires provider agencies to use at least 65 percent of the increase in reimbursement rate to increase the wages of lead teachers who have a baccalaureate degree.

State Preschool teacher qualifications

- 6) Requires, by July 1, 2028, each State Preschool classroom to have at least one teacher with a baccalaureate degree and additional units who provides instruction.
- 7) Grandfathers in a person who has an early childhood teaching permit from the Commission on Teacher Credentialing (CTC) who served as a lead teacher as of December 31, 2019.
- 8) Requires the CTC, by July 1, 2020, to update the childcare teacher permit requirements to include a requirement that, as of July 1, 2028, lead teachers have a baccalaureate degree with an emphasis or major in early childhood studies or child development, and obtained at least 24 units in early childhood studies or child development.
- 9) Requires the CTC to ensure the requirements include credits or another method of demonstrating competency in serving the needs of young children who are dual language learners, or those with exceptional needs in a fully inclusive environment.

Financial support for childcare workers

- 10) Establishes the California Preschool Teacher Qualifications Program to support staff of licensed preschool and child development programs in pursuing a baccalaureate degree.
- 11) Sets for the criteria by which the California Department of Education (CDE) is to select applicants for funding and eligibility requirements for applicants.

Expanding State Preschool

- 12) Requires local planning councils, upon approval by the county board of supervisors and county superintendent of schools, to submit to CDE a plan for expanding State Preschool to four-year olds not currently eligible.
- 13) Requires the Superintendent of Public Instruction to consider the plans, and requires CDE to allocate funding within each county in accordance with the priorities identified by the local planning councils.

Miscellaneous

- 14) Prohibits the number of children in a State Preschool program from exceeding 24.

- 15) Replaces gendered pronouns (he, she) with gender-neutral nouns (Superintendent).

STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, relative to the current version of the bill, “AB 123 will address issues surrounding access and quality within California State Preschool programs. Through a targeted universal approach, the bill will expand access and capture nearly 70,000 additional three- and four-year old children. The bill targets four-year olds living in low-income neighborhoods and all three-year olds in poverty. Through this approach, we also hope to expand eligibility for some middle-class families as well. California has not been a strong leader on quality in the workforce for early childhood education overall, especially in the State Preschool program. Currently, State Preschool teachers are required to have a Child Development Teacher Permit, which includes 24 units of child development courses plus 16 units of general education. Other states and programs have implemented programs to assist existing preschool teachers earn higher education degrees, including Bachelor’s degrees, making preschool teacher pay on par with K-12 compensation.”
- 2) ***Author’s amendments.*** The author wishes to replace the current contents of this bill with the following:

Access for eligible children

- a) Requires, by January 1, 2025, all eligible children, who are not enrolled in transitional kindergarten, to have access to State Preschool the year before they enter kindergarten (if their parents wish to enroll the child).
- b) Conditions this requirement on an appropriation in the annual Budget Act.

Universal preschool via the Master Plan for Early Learning and Care

- c) States legislative intent to implement a comprehensive, quality, and affordable universal preschool system included in the Master Plan for Early Learning and Care’s (Master Plan) recommendations.
- d) States legislative intent to adopt universal preschool consistent with the Master Plan, contingent upon an appropriation in the annual Budget Act.

Universal preschool linked to eligibility for free- and reduced-price meals

- e) States legislative intent to allow State Preschool providers operating within the attendance area of a public school with *fewer than 80 percent* of its students are eligible for free- or reduced-price meals to enroll four-year olds who *do not meet* State Preschool eligibility requirements, once all eligible children are enrolled first.

Parity in pay

- f) States legislative intent to ensure pay parity between K-12 educators and State Preschool lead teachers with commensurate qualifications, and to provide scholarship support for early educators to achieve higher qualifications and competencies.
- 3) **Related budget activity.** AB 74 (Ting, Chapter 23, 2019) and SB 75 (Committee on Budget and Fiscal Review, Chapter 51, 2019) include the following provisions that relate to the current contents of this bill and the author's proposed amendments:

Current contents of bill

- a) SB 75, the education trailer bill, expands eligibility for State Preschool by allowing a provider operating within the attendance area of a public school where *at least 80 percent* of students are eligible for free- or reduced-price meals to enroll four-year olds who *do not meet* State Preschool eligibility requirements, once all eligible children are enrolled first. The current contents of this bill set the threshold at 70 percents, and *is therefore in conflict with SB 75.*
- b) AB 74, the 2019 Budget Act, *does not include* funding to support the following provisions:
- i) Capping the number of children in a State Preschool program at 24.
 - ii) Increasing the State Preschool reimbursement rate.
 - iii) Establishing a program of financial support for providers to earn a baccalaureate degree.

Author's amendments

- c) SB 75 establishes a process to review and report on the state's early childhood education system with the goal of using that information, along with relevant portions of the Assembly's Blue Ribbon Commission on Early Childhood Education, to develop a master plan to ensure comprehensive, quality, and affordable childcare and universal preschool for children from birth to school age.

The author's amendments state legislative intent to implement a comprehensive, quality, and affordable universal preschool system included in the Master Plan for Early Learning and Education. The author's amendments also state legislative intent to adopt universal preschool consistent with the master plan, contingent upon funding. The master plan does not yet exist. *It appears premature to modify statute and it is unclear why it is necessary to state legislative intent to implement the master plan since recently-enacted trailer bill language requires the creation of a master plan (why create it if not to be implemented).*

- d) SB 75 authorizes a State Preschool provider within the attendance boundary of a public school where at least 80 percent of enrolled students

are eligible for free- or reduced-price meals to extend enrollment to four-year olds who do not meet eligibility requirements (after first enrolling eligible children), thereby providing access to “universal” preschool.

The author’s amendments state legislative intent to lower the percentage threshold that would enable a State Preschool provider to offer “universal” preschool, thereby expanding access to such programs. *This language goes beyond recently-enacted trailer bill language.*

Considering that the education trailer bill addresses the issues included in the author’s amendments, is it necessary, and is it appropriate, to follow up with this intent language?

- 4) ***Practical effect of author’s amendments.*** The author’s amendments require, by January 1, 2025, all eligible children, who are not enrolled in transitional kindergarten, to have access to State Preschool the year before they enter kindergarten (if their parents wish to enroll the child). The author’s amendments condition this requirement upon a sufficient appropriation. *It is unclear what the practical effect is, as the number of available preschool slots is essentially determined by the annual Budget Act and the amendments condition its requirements upon an appropriation. The 2019 Budget Act did not provide for such allocations.*
- 5) ***Baccalaureate degree for lead teachers.*** The qualifications for a Teacher Permit, which is required for a lead teacher in a State Preschool program, include an associate level degree in early childhood education or a specified number of units and field experience. The current version of this bill requires that as of July 1, 2028, a lead teacher hold a baccalaureate degree. This bill does not propose changes to any other child development permits, such as assistant, associate teacher, master teacher, site supervisor, and program director permits.

According to the Center for the Study of Child Care Employment, the available data on California’s early childhood education workforce is outdated. Based on available information, about one-half of California’s workforce is “family, friend, and neighbor” providers – typically unlicensed. The vast majority are women, nearly one-half of the center-based workforce identified as white (in contrast, less than one-third of the listed and unlisted home-based workforce identified as white), and 64 percent of the center-based workforce and 35 percent of the home-based listed workforce held an associate degree or higher (the data do not specify if these degrees are in an early childhood education-related field).

<http://cscce.berkeley.edu/californias-ece-workforce/>

A 2018 policy brief by the Learning Policy Institute suggests: “California should take steps to build a well-qualified early childhood education (ECE) workforce, including increasing expectations and support for educators’ higher education and training, starting with preschool. California should ensure that children of similar age and need in state-subsidized programs have access to educators with comparable education. Research has found that pre-k programs with the strongest sustained impact on child outcomes—including transitional kindergarten—require educators to have a bachelor’s degree and specialized

training in ECE. Currently, California’s preschool programs have varying, often low, expectations for staff teaching the same age group. TK, for example, requires a B.A. and a teaching credential, while there is no degree requirement for California’s state preschool program or private preschool programs receiving vouchers.” <https://learningpolicyinstitute.org/product/building-early-learning-system-california-brief>

There is some dispute about the qualifications necessary for preschool teachers, as is noted in a November 2018, report by the National Conference of State Legislatures: “While almost all experts agree that more needs to be done to prepare ECE workers and support their ongoing professional development, there is debate among academics, policymakers and practitioners about the optimal level of ECE worker preparation to ensure positive outcomes for children. A recent consensus study report argues the standards for early childhood educators should be elevated to those of educators working with older children by increasing minimum education requirements for lead early childhood educators to a bachelor’s degree. Other researchers have found that on-the-job training or coaching have greater impacts on positive child outcomes. There is also debate about the ages when children most benefit from teachers having advanced training or degrees.”

http://www.ncsl.org/Portals/1/Documents/cyf/Early-Care-Education_v06_web.pdf

Things to consider include:

- a) Equity issues and the need to maintain the diversity of the existing ECE workforce.
 - b) The need for financial supports – ECE staff will need upfront funding as they may not be able to wait for loan forgiveness or have the ability to repay student loans.
 - c) The current workforce may need prerequisite education and/or English learner supports in accessing higher education courses necessary to earn a baccalaureate degree.
 - d) ECE staff may only able to take one course at a time due to having to work full-time, therefore they are likely to take many years to get to a degree.
- 6) **Assembly Blue Ribbon Commission on Early Childhood Education.** The Assembly Blue Ribbon Commission’s final report included the following recommendations relative to provisions in the current version of this bill and author’s proposed amendments:

Strengthening the ECE workforce

- a) Develop a strategic plan for recruitment and retention, and to ensure career advancement pathways for all providers in all settings, reviewing the career lattice and pathways and ramps.

- b) Identify ways to increase capacity of higher education systems, exploring the possibility of community colleges offering early childhood BA degrees, and increase partnerships with community-based apprenticeship programs. Ensure support systems such as counseling, financial aid, tutoring, and mentoring are in place.
- c) Streamline and simplify current educator and caregiver competencies to focus on essential adult practices that improve child outcomes.
- d) Make competencies easily measurable and based upon what current research says are the most effective educator and caregiver practices.
- e) Create, over no more than a two-year period, a competency-based assessment that allows both new applicants and the incumbent workforce to demonstrate that they possess competencies. This should be piloted and refined for the year prior to scaling statewide.

Expand State Preschool

- f) “Expand access to early childhood education programs including preschool for all three- and four-year-old children. Expansion should begin with those in low-income families, ensuring full-day care with wraparound services available.”

Parity in Pay

- g) Achieve salary parity with TK-3 for those with comparable education and experience, with competitive benefit packages including health, paid time off, retirement, and other compensation.
 - h) Increases in compensation are required at all levels of qualification among the incumbent workforce. Standards for the ECE workforce cannot be increased until compensation levels are significantly raised.
<https://speaker.asmdc.org/sites/speaker.asmdc.org/files/pdf/BRC-Final-Report.pdf>
- 7) **Fiscal impact.** According to the Assembly Appropriations Committee, relative to the current version of this bill, this bill would impose an ongoing mix of Proposition 98 General Fund and General Fund costs of about \$1 billion. Of this, about \$800 million to expand eligibility and increase the reimbursement rate for State preschool and about \$200 million to provide financial support to childcare working pursuing a baccalaureate degree. This estimate assumes about 68,000 more children are served than would otherwise be and that reimbursement rates increase from \$12,070 to \$14,063 per child.
- 8) **Related legislation.** SB 174 (Leyva) updates calculations of the regional market rate for providers of subsidized childcare, and establishes the Quality Counts California Pilot Reimbursement Program to provide higher reimbursement rates to alternative payment program providers for meeting certain quality standards.

SB 174 is scheduled to be heard in the Assembly Education Committee on July 10.

AB 125 (McCarty, 2019) is a companion to SB 174 (Leyva, 2019), and is scheduled to be heard in this Committee on July 10.

AB 124 (McCarty, 2019) requires local planning councils to provide information to cities and counties regarding the need for early childhood education facilities. AB 124 was held in the Assembly Appropriations Committee.

Prior legislation. AB 1754 (McCarty, 2018) would have required the state to provide all eligible low-income four-year old children with access to early care and education programs. AB 1754 was held in the Senate Appropriations Committee.

AB 47 (McCarty, 2015) would have established the Preschool for All Act and required, on or before June 30, 2018, all eligible children who are not enrolled in transitional kindergarten to have access to State Preschool the year before they enter kindergarten, if their parents wish to enroll them and contingent upon the appropriation in the annual Budget Act for this purpose. AB 47 was vetoed by Governor Brown, whose veto message read:

Last year's education omnibus trailer bill already codified the intent to make preschool and other full-day, full year early education and care opportunities available to all low-income children. The discussion on expanding state preschool - which takes into account rates paid to providers as well as access and availability for families - should be considered in the budget process, as it is every year. A bill that sets an arbitrary deadline, contingent on a sufficient appropriation, is unnecessary.

SB 837 (Dodd, 2018) would have expanded eligibility for transitional kindergarten to all four-year olds, phased in over a two-year period beginning in the 2020-21 school year. SB 837 was held in the Senate Appropriations Committee.

SUPPORT (for current contents of the bill)

Early Edge California (co-sponsor)
 Alliance for Children's Rights
 Association of California School Administrators
 California Catholic Conference
 California State PTA
 Latino Coalition for a Healthy California
 National Association of Social Workers, California Chapter
 Riverside County Superintendents of Schools
 Santa Clara County Office of Education

(as proposed to be amended)

Kidango

OPPOSITION

None received

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