

Date of Hearing: July 1, 2015

ASSEMBLY COMMITTEE ON EDUCATION
Patrick O'Donnell, Chair
SB 311 (Beall) – As Amended June 1, 2015

SENATE VOTE: 40-0

SUBJECT: Child Care and Development Services Act: preschool: Alum Rock Union Elementary School District: pilot project.

SUMMARY: Authorizes the Alum Rock Union Elementary School District (ARUESD) to develop and implement an individualized eligibility part-day preschool subsidy plan for children residing in the school district. Specifically, **this bill:**

- 1) Establishes the following definitions:
 - a) "School district" as the ARUESD, located in the County of Santa Clara.
 - b) "Preschool program" as a state-funded part-day preschool program that operates in the ARUESD.
- 2) Authorizes the ARUESD, as a pilot project, to develop and implement an individualized eligibility part-day preschool subsidy plan for children residing in the school district for purposes of attending a preschool program in the school district. Requires the plan to ensure that child care subsidies received by a preschool program are used to address local needs, conditions, and priorities of families in the school district and for preparing children for kindergarten and grades 1 to 12, inclusive.
- 3) Requires the ARUESD, before implementing the plan and in consultation with any preschool program and the Santa Clara Office of Education, to develop an individualized eligibility part-day preschool subsidy plan that shall include both of the following:
 - a) Notwithstanding any other law, eligibility to participate in the preschool program shall be based on either of the following conditions:
 - i) The child is eligible for free or reduced-price meals, as that term is used in subdivision (a) of Education Code (EC) Section 42238.01.
 - ii) The child is a foster youth, as that term is used in subdivision (b) of EC Section 42238.01.
 - b) Notwithstanding any other law, children up to the age of admission into first grade shall be allowed to participate in the preschool program.
- 4) Requires the plan to be submitted to, and approved by, the Santa Clara County Local Child Care Planning Council and the Early Education and Support Division of the California Department of Education (CDE).
- 5) Specifies that upon approval of the plan, the ARUESD, in consultation with the preschool program, the Santa Clara Office of Education, and First 5 Santa Clara, shall do the following:

- a) Prepare and submit an annual report to the Legislature and the CDE that summarizes the success of the pilot project; and,
 - b) Submit a final report to the Legislature in accordance with the procedures established in the Government Code and the CDE on or before December 31, 2022, that shall provide recommendations as to whether the pilot project should continue as a permanent program.
- 6) Authorizes the ARUESD to implement the pilot project until January 1, 2022, at which date the district shall terminate the plan and implement the state's requirements for subsidized part-day preschools. Specifies that a child enrolling for the first time in a preschool program in the school district after January 1, 2022 shall not be enrolled in the pilot project established by this bill and shall be subject to existing state laws and regulations regarding preschool eligibility.
 - 7) Specifies that additional state funds shall not be appropriated for purposes of implementing this bill.
 - 8) Sunsets on January 1, 2023, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2023, deletes or extends that date.
 - 9) Finds and declares that a special law is necessary because of the unique circumstances of the ARUESD, in the County of Santa Clara. The school district has a high level of children who live in poverty, children who are English language learners, children who are part of a minority group, and children who are exposed to violence in their community. The school district is particularly focused on significantly increasing pupil achievement and parent engagement and this bill will achieve this by offering preschool services to children and families in the school district.
 - 10) Contains an urgency clause due to the fact that the start of the 2015-16 school year begins in August. This bill will prevent needless hours and paperwork to certify eligibility past the August start date. Therefore, in order to eliminate the barriers for families to access state preschool and to remove the paperwork burden on families and agencies in time for the new school year, it is necessary for this bill to take effect immediately.

EXISTING LAW:

- 1) Establishes eligibility for child care services and child development programs administered by the CDE and requires the Superintendent of Public Instruction (SPI) to adopt rules and regulations on eligibility, enrollment and priority of services needed for implementation (EC Section 8263).
- 2) Specifies that in order to be eligible for federal and state subsidized child development services, families must meet at least one requirement in each of the following areas:
 - a) A family is (A) a current aid recipient, (B) income eligible, (C) homeless or (D) 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; and,

- b) A family needs the child care services (A) because the child is identified by a legal, medical, social services agency, or emergency shelter as (i) a recipient of protective services or (ii) being neglected, abused, or exploited, or at risk of neglect, abuse or exploitation, or (B) because the parents are (i) engaged in vocational training leading directly to a recognized trade, paraprofession or profession, (ii) employed or seeking employment, (iii) seeking permanent housing for family stability, or (iv) incapacitated. (EC Section 8263(a))
- 3) Establishes the California State Preschool Program (CSPP) and provides that the programs shall include, but not be limited to, part-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. (EC Section 8235).
- 4) Defines "income eligible" as a family whose adjusted monthly income is at or below 70% of the state median income (SMI), adjusted for family size, and adjusted annually. For the 2014-15 fiscal year, the income eligibility shall be 70% of the SMI that was in use for the 2007-08 fiscal year, adjusted for family size. (EC Section 8263.1)

FISCAL EFFECT: According to the Senate Appropriations Committee, absorbable local costs to implement the pilot; minor and absorbable administrative costs to the CDE related to contract monitoring and review of the pilot plan and reports; and potential significant cost pressure to scale this pilot statewide, which would result in changes in eligibility, allowing for self-certification of income eligibility and allowing children to participate in the program that are older than four years old.

COMMENTS: *Purpose of the bill.* The author states that the ARUESD "has one of the highest numbers of low income families and a high violence rate within the East of San Jose. As a result of the various barriers, academic performances have been highly impacted amongst children and youth residing in the Alum Rock community. This bill will reduce the paper work burden for eligibility requirements on families. ARUESD already has in place a universal free and reduced lunch program for all students. If new students wanted to participate in the pilot project, families would have to fill out double the paper work for eligibility under current state requirements. The Child Development funding, unlike K-12, is not permissive. This bill allows alternatives for children and families to qualify for this service."

According to the CDE, in 2013-14, ARUESD had an enrollment of 12,570, of which, 11,183 (89%) were eligible for the free and reduced-price meals (FRPM) program.

CSPP. The CSPP offers part-day and full-day preschool programs through contracts with local educational agencies, private contractors, and colleges. These programs are required to comply with health and safety standards under Title 22 regulations and higher developmental and teacher qualification standards under Title 5 regulations adopted by the CDE. Income eligibility is 70% of the SMI (\$46,896 for a family of four). Part-day preschool operates three hours per day for 175 days. The General Child Care program provides "wrap around" to provide full-day care. The 2015-16 budget recently passed by the Legislature provides 9,500 new slots to the CSPP part-day and full-day programs.

What does this bill do? This bill establishes a preschool pilot project for the ARUESD. According to the sponsor, Kidango, and the author, the purpose of the bill is to allow Kidango to reduce the amount of paper work and administrative time required to determine eligibility and to use CSPP as a "wraparound" service for children in transitional kindergarten (TK) and kindergarten. The bill authorizes the district to develop and implement the pilot, but the school district does not currently have a contract with the CDE to provide preschool services. Kidango, an early childhood education and preschool provider with a number of sites throughout the Bay Area, has a contract with CDE to provide state subsidized preschool. This pilot, however, is intended to apply only to Kidango's services for children who reside and attend schools in the ARUESD, targeting approximately 200 kids. The school district's role is in providing classrooms and playground space. As such, the bill needs to be amended to clarify that the preschool program is authorized to participate in the pilot project. **Staff recommends** an amendment to clarify that ARUESD *and* a preschool program, defined as an agency that holds a CSPP contract and that has a memorandum of understanding with ARUESD, are authorized to develop the pilot.

Using eligibility for federal meal programs to determine eligibility. This bill will allow Kidango to use eligibility for FRPM to constitute eligibility, instead of determining eligibility using the CSPP application and income eligibility of 70% of the SMI. According to the sponsor, this will allow the agency to reduce time and costs to establish eligibility under the CSPP. According to the CDE, CSPP eligibility requires proof of income, while the FRPM does not. The FRPM is a federally and state funded program that provides free or very low cost meals to needy children in schools. According to the sponsor, the children enrolled in the pilot may include three- or four-year-old children, in addition to children already enrolled in the ARUESD. The three- or four-year-old children will not be enrolled in the FRPM program. Instead, these children may be eligible for the child and adult care food program (CACFP). The CACFP is also a federally and state funded program that subsidizes meals and snacks served at child care, preschool, family day care homes and at adult day care programs. **Staff recommends** adding the CACFP as another method for determining eligibility for CSPP.

Income eligibility for both the FRPM and the CACFP programs is the same and is established by the federal government. For the free meal category, household income must be at or below 130% of the federal poverty guidelines. For the reduced-price category, household income must be between 130% and 185% of federal poverty guidelines. When compared by family size, the income ceilings for the CSPP and the FRPM and CACFP are fairly comparable. Below are examples of family ceilings for a family of 3 and 4:

Comparison of income eligibility for CSPP, FRPM and CACFP programs:

	California State Preschool Program	Free or Reduced Price Meal Program and Child and Adult Care Food Program (Free)	Free or Reduced Price Meal Program and Child and Adult Care Food Program (Reduced Price)
Family of 3	\$42,216	\$26,117	\$37,167
Family of 4	\$46,896	\$31,525	\$44,863

These examples show that the federal food program income ceilings are lower than the CSPP; therefore, if a child is eligible for either CACFP or the FRPM program, the child would be eligible for CSPP. Using the meal programs as proxies for eligibility for CSPP would work. The issue for the Committee to consider is whether the state should provide eligibility for CSPP without verification of income. While there is potential for enrolling children who do not meet income eligibility, the fact that 89% of the district is comprised of low income students eligible for FRPM reduce that likelihood.

Extending eligibility to children enrolled in TK and kindergarten. Under current law, priority for enrollment for CSPP goes to four- or three-year-old neglected or abused children who are recipients of Child Protective Services or recipients who are at risk of being neglected or abused, without regard to income. Second priority goes to four-year-old children who were enrolled in CSPP as a three-year-old, followed by four-year-old children with the lowest income ranking. Three-year-old children may be enrolled after four-year-olds are enrolled. This bill provides CSPP eligibility to children up to the age of admission into first grade, which means that children in TK and kindergarten are eligible to be enrolled in CSPP.

TK program. TK was established in 2010 when the date by which a child turns five for enrollment in kindergarten was changed from December 2 to September 1. TK is a modified kindergarten program for the children with fall birthdays displaced as result of the change. According to the sponsor, the purpose of this part of the bill is to enable children in TK and kindergarten enrolled in the district to receive preschool services after school ends. The district's TK and kindergarten are part-day programs. By expanding eligibility to children in kindergarten, this bill may potentially expand eligibility to children who may be up to six years of age. Even as a pilot, the Committee may wish to consider whether this is a good and appropriate use of CSPP funds, especially given that there currently are not enough slots to provide services to all eligible three- and four-year-old children. If the district wishes to extend the number of hours for kindergarteners, the district may consider offering extended day kindergarten (full-day), seek state after school program funds, or use its local control funding formula for this purpose.

Current regulations authorize children enrolled in TK who are in need of before or after school services to be enrolled in the General Child Care and Alternative Payment Programs, but not the CSPP. While extending CSPP to children old enough for TK also goes beyond age limitations, it is at least somewhat consistent with preschool; the children are at most five years old and budget trailer bill language enacted last year expresses the intent of the Legislature for the TK curriculum to be aligned to the state preschool learning foundations. **Staff recommends** an amendment to authorize children *up to* the age of admission into kindergarten to be eligible to participate in the pilot. The effect is that children enrolled in TK would be eligible to participate in the pilot.

The plan. The bill requires ARUESD to develop a plan that specifies the eligibility criteria and submit the plan to the Santa Clara County Local Child Care Planning Council and the Early Education and Support Division of the CDE for approval. Staff recommends the following:

- 1) Rather than submitting the plan to the Santa Clara County Local Child Care Planning Council, require the plan or modification to the plan to be submitted to the governing board of the ARUESD and the CDE.

- 2) Require the CDE to approve or disapprove the plan or modifications to the plan within 30 days of submission and specify that disapproval of the plan or modifications to the plan shall be based on nonconformance with this bill or conflicts with federal law.
- 3) Specify that the plan shall include, but is not limited to, the following:
 - a) Increasing access to preschool in the school district to prepare children for TK and kindergarten.
 - b) Provision of supplemental services to children in TK.
 - c) Provision of parent education, parent engagement and family support services.
 - d) Systems to facilitate transition of children and their families from Head Start and preschool to TK and kindergarten.
 - e) Increasing collaboration between preschool, TK and kindergarten teachers.

Reports. The bill requires an annual report to be submitted by the school district summarizing the success of the pilot. However, the bill does not define the measurements of success. **Staff recommends** using increase in the enrollment of very low-income kids (using the number of kids eligible for free meals under the FRPM program) as a measure of success.

Privacy considerations. **Staff recommends** an amendment to require any sharing of information between the school district and Kidango to be in accordance with the federal Family Educational Rights and Privacy Act of 1974.

Sunset date. The bill currently sunsets on January 1, 2023. **Staff recommends** changing the sunset date to June 30, 2021 to make the pilot a five and a half year pilot (assuming that implementation begins on January 1, 2016 and will end at the end of the fiscal year in 2021).

Other pilots. The Legislature has authorized other pilot projects in San Mateo County and the city of county of San Francisco that provides limited local flexibility to adjust eligibility rules, provider rates and family fees to accommodate higher cost of living and higher cost to provide care in these areas. AB 833 (Bonta), pending in the Senate Education Committee, authorizes Alameda to establish a similar pilot. This bill is different than the other pilots in that it only applies to CSPP and not all early development programs, and the flexibilities granted by this bill are limited to funds received by one agency rather than on a countywide basis.

Urgency clause. This bill contains an urgency clause and states, as a reason, because the start of the 2015-16 school year begins in August. Staff notes that even if the bill is signed by mid-July, it would be difficult for the pilot to take effect by August. As amended, the bill requires a plan developed by the school district and the preschool program to be approved by the ARUESD governing board and the CDE. Once the plan is submitted to the CDE, CDE would have 30 days to review and to approve or disapprove the plan. If modifications are required, CDE would have an additional 30 days for review.

Related legislation. AB 833 (Bonta), pending in the Senate Education Committee, authorizes the County of Alameda to, as a pilot project, develop and implement an individualized county child care subsidy plan.

Prior related legislation. AB 260 (Gordon), Chapter 731, Statutes of 2013, extended the sunset dates of the San Francisco and San Mateo County individualized county child care subsidy plans to 2016 and 2018, respectively.

AB 86 (Committee on Budget), Chapter 48, Statutes of 2013, extended the sunset data of the San Francisco individualized county child care subsidy plan to 2015.

SB 1016 (Committee on Budget and Fiscal Review), Chapter 38, Statutes of 2012, extended the sunset date of the San Francisco individualized county child care subsidy plan to 2014.

AB 1610 (Committee on Budget), Chapter 724, Statutes of 2010, extended the sunset date of the San Francisco individualized county child care subsidy plan to 2013.

SB 1225 (Yee), held in the Senate Appropriations Committee suspense file in 2010, would have extended the sunset date of the San Francisco individualized county child care subsidy plan to 2016.

AB 1304 (Simitian), Chapter 61, Statutes of 2008, extended the sunset date of the San Mateo County individualized county child care subsidy plan to 2014.

SB 701 (Migden), Chapter 725, Statutes of 2005, established the San Francisco individualized county child care subsidy plan pilot project, to sunset in 2011.

AB 1326 (Simitian), Chapter 691, Statutes of 2003, established the San Mateo County individualized county child care subsidy plan pilot project.

REGISTERED SUPPORT / OPPOSITION:

Support

Alum Rock Union Elementary School District
Alameda County Board of Supervisors
First 5 Santa Clara County
Kidango
Santa Clara County Office of Education
Numerous individuals

Opposition

None on file

Analysis Prepared by: Sophia Kwong Kim / ED. / (916) 319-2087