


REPORT OF THE CHIEF LEGISLATIVE ANALYST

August 8, 2018

TO: Honorable Members of the Rules, Elections, and Intergovernmental Relations Committee

FROM: Sharon M. Tso 
Chief Legislative Analyst

Council File No:18-0002-S14
Assignment No.18-02-0128

SUBJECT: Resolution to SUPPORT SB 78 relative to After School Education and Safety (ASES) program.

CLA RECOMMENDATION: Adopt Resolution (Ryu-Martinez) to include in the City's 2017-18 State Legislative Program SUPPORT for legislation relative to the appropriation of additional funds for the After School Education and Safety (ASES) program and SB 78 (Leyva) which would require that funding appropriated for the ASES program be increased annually based on increases to the minimum wage.

SUMMARY:

On February 7, 2018, the Resolution (Ryu-Martinez) was introduced stating the following:

- In 2002, voters approved Proposition 49, which was implemented in 2006 with over \$550 million annually appropriated to the After School Education and Safety (ASES) program to provide students in low-income communities access to safe, enriching after-school programs in the areas of academic assistance, and enrichment and recreational activities.
- The California Afterschool Advocacy Alliance (CA3) has reported that the ASES program provides funding for over 4,000 elementary and middle schools throughout the State, and serves more than 400,000 students daily of which 110,000 are in the Los Angeles Unified School District (LAUSD), 25,000 in the LA's BEST After School Enrichment Program, 15,000 in Woodcraft Rangers, 13,182 in After-School All-Star, and 1,500 in A World Fit for Kids.
- Participants enrolled in the ASES program are 20 percent less likely than non-participants to drop out of school and 30 percent less likely than non-participants to commit a juvenile crime.
- Participants in the ASES program in elementary school demonstrate improved attendance and higher grade point averages in middle school; in addition, participants who attended the ASES program experience a statistically significant higher growth rate in California Standards Test (CST) scores in English/Language Arts and Math.
- The Legislature is currently considering SB 78 (Leyva) with a corresponding budget request, which would appropriate additional funds for the ASES program.

The Resolution seeks City support of SB 78 (Leyva).

BACKGROUND:

Proposition 49, approved by voters in 2002, established the ASES program and provided ongoing funding of \$550 million per year for before and after school programs. Elementary and middle schools are eligible to submit applications for funding through the California Department of

Education (CDE). The ASES program funded after school and summer school programs serve more than 400,000 students daily in over 4,000 elementary and middle schools across the state. These programs provide students with academic and enrichment activities, keep children safely off the streets, and offer child care for working families.

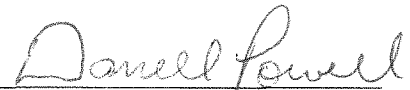
Funding for the ASES program has been stagnant for a decade, while minimum wage increases and state mandated paid sick leave have increased operating costs. The average daily attendance payment rate for ASES of \$7.50 per child has not been increased since 2006. In order to adjust to these cost pressures, after school programs have reduced their operating hours and cut academic activities. If funding remains flat, some programs may be forced to reduce their operating hours, cut educational programs, or even close their doors.

SB 78 would continuously appropriate an additional \$99,305,000 to the CDE for the purpose of the ASES program. This would bring total annual funding to \$649,305,000. Beginning in FY 2018-19, and each fiscal year after that, funding would increase simultaneously with minimum wage increases to ensure that programs stay solvent. Increased funding from SB 78 would allow the programs supported by the ASES program to continue serving our communities and working families.

BILL STATUS:

Senate Bill 78

06-12-17	Referred to Committee on Education.
05-31-17	Ordered to Assembly.
05-15-17	Placed on Appropriation suspense file.
04-25-17	Re-referred to Committee on Appropriation.
04-04-17	Re-referred to Committee on Education.
01-19-17	Referred to Committee on Education.
01-11-17	Introduced. Read first time.



Darrell Powell
Analyst

SMT:MF:PS

Attachments: 1. Resolution

2. SB 78 After School Programs

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, in 2002, voters approved Proposition 49, which was implemented in 2006 with over \$550 million annually appropriated to the After School Education and Safety Program (Program) to provide students in low-income communities access to safe, enriching after-school programs in the areas of academic assistance, enrichment activities, and recreational activities; and

WHEREAS, the California Afterschool Advocacy Alliance (CA3) has reported that the Program provides funding for over 4,000 elementary and middle schools throughout the State, and serves more than 400,000 students daily of which 110,000 are in the Los Angeles Unified School District (LAUSD) with 25,000 in the LA's BEST After School Enrichment Program, 15,000 in Woodcraft Rangers, 13,182 in After-School All-Star, and 1,500 in A World Fit for Kids; and

WHEREAS, participants enrolled in the Program are 20% less likely than non-participants to drop out of school and 30% less likely than non-participants to commit a juvenile crime; and

WHEREAS, participants in the Program in elementary school demonstrate improved attendance and higher GPAs in middle school; in addition, participants who attended the Program experience a statistically significant higher growth rate in California Standards Test (CST) scores in English/Language Arts and Math; and

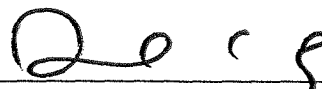
WHEREAS, insufficient funding levels have hindered the ability of the Program to attract and retain quality staff, which has resulted in reduced staffing hours, reduced professional development, the abandonment of specialized instruction, and fewer spaces for children in the Program; and

WHEREAS, the Legislature is currently considering SB 78 (Leyva) and a corresponding budget request, which would appropriate additional funds for the Program; and

WHEREAS, SB 78 would ensure that children statewide will have an opportunity to enroll in the Program and will also increase educational outcomes for students in the LAUSD;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2017-2018 State Legislative Program support for the appropriation of additional funds for the After School Education and Safety Program and SB 78 (Leyva), which would require that the amount of funding appropriated for the After School Education and Safety Program be increased annually based on increases to the minimum wage.

PRESENTED BY

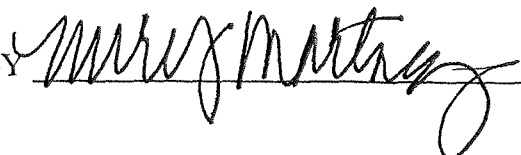


DAVID E. RYU

Councilmember, 4th District

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SECONDED BY





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SB-78 After school programs: grant amounts. (2017-2018)

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AMENDED IN SENATE MAY 26, 2017

AMENDED IN SENATE APRIL 25, 2017

AMENDED IN SENATE APRIL 04, 2017

CALIFORNIA LEGISLATURE— 2017–2018 REGULAR SESSION

SENATE BILL

No. 78

Introduced by Senator Leyva
(Principal coauthor: Senator Mendoza)
(Coauthor: Senator Allen)

January 11, 2017

An act to add Section 8483.73 to the Education Code, relating to after school programs, and making an appropriation therefor, *programs*.

LEGISLATIVE COUNSEL'S DIGEST

SB 78, as amended, Leyva. After school programs: grant amounts.

Existing law, the After School Education and Safety Program Act of 2002, enacted by initiative statute, establishes the After School Education and Safety Program to serve pupils in kindergarten and grades 1 to 9, inclusive, at participating public elementary, middle, junior high, and charter schools. The act provides that each school establishing a program pursuant to the act is eligible to receive a renewable 3-year grant for before or after school programs, as provided, and a grant for operating a program beyond 180 regular schooldays or during summer, weekend, intersession, or vacation periods, as provided, and specifies the maximum grant amount and related amounts for each of these grants. The act provides a formula for determining an amount to be continuously appropriated from the General Fund to the State Department of Education for the purposes of the program.

This bill, for the 2017–18 fiscal year, and for each fiscal year thereafter, would continuously appropriate an additional \$99,135,000 to the State Department of Education for the purposes of the program. The bill, commencing with the increases to the minimum wage implemented during the 2018–19 fiscal year, and each fiscal year thereafter, would *would*, when calculating the total amount to be appropriated for a fiscal year, require the Department of Finance to annually adjust the total program funding amount for each minimum wage increase using a specified calculation. The bill would require the State Department of Education to adjust the maximum grant amounts and related amounts in accordance with the amount provided for the program for the

2017–18 fiscal year. The bill, commencing with the 2018–19 fiscal year, and each fiscal year thereafter, would require the State Department of Education to adjust those amounts by the amounts necessary to properly allocate funding increases made to the total program funding amount by the bill. ~~The bill also would provide that funds appropriated by the bill would be applied toward the minimum funding requirements for school districts and community college districts imposed by Section 8 of Article XVI of the California Constitution.~~

Vote: majority Appropriation: *yes/no* Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. (a) The Legislature finds and declares all of the following:

(1) The After School Education and Safety Program (ASES) serves more than 400,000 low-income pupils in over 4,000 high-quality elementary and middle school programs statewide.

(2) After school programs are essential to closing the achievement and opportunity gaps for underserved pupils.

(3) ASES programs receive a daily rate of \$7.50 per pupil for three or more hours each day of academic and enrichment activities, a rate that experts say is woefully inadequate to run a high-quality program.

(4) The daily rate has not been changed since 2006, despite a decade of substantial increases to the costs of operating these programs.

(5) The most significant program cost increases were the three statutory minimum wage increases: the first on July 1, 2014, the second on January 1, 2016, and the third on January 1, 2017.

(6) Costs will continue to increase as statutory minimum wage increases take effect.

(7) As costs significantly outpace funding, ASES programs have been stretched to the breaking point.

(8) The ASES daily rate must be increased by 50 cents for each one dollar increase to the minimum wage. Based on the minimum wage in effect as of January 1, 2018, this formula requires ~~a 20 percent~~ 20-percent increase in the daily rate, from \$7.50 to \$9.00.

(b) It is therefore the intent of the Legislature to augment the ASES budget in an amount sufficient to match the increased costs of the current minimum wage.

(c) It is further the intent of the Legislature to ensure the continuation and stability of high-quality ASES programs by adopting a statute that requires the Department of Finance to provide a cost-of-living adjustment to ASES programs in each year that there is an increase to the minimum wage.

SEC. 2. Section 8483.73 is added to the Education Code, to read:

~~8483.73.(a)(1) For the 2017–18 fiscal year, and for each fiscal year thereafter, ninety-nine million one hundred thirty-five thousand dollars (\$99,135,000) is hereby continuously appropriated from the General Fund to the department for the purposes of the program established pursuant to this article.~~

~~(2)~~

8483.73. (a) Commencing with the increases to the minimum wage implemented during the 2018–19 fiscal year, and each fiscal year thereafter, *when calculating the total amount to be appropriated for a fiscal year*, the Department of Finance shall adjust the total program funding amount ~~of six hundred forty-nine million one hundred thirty-five thousand dollars (\$649,135,000)~~ 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 pursuant to Section 1182.12 of the Labor Code.

(b) The department shall adjust the dollar amounts specified in Sections 8482.55, 8483.7, 8483.75, and 8483.76 in accordance with the amount provided for the program for the 2017–18 fiscal year. Commencing with the 2018–19 fiscal year, and each fiscal year thereafter, the department shall adjust the dollar amounts specified in Sections 8482.55, 8483.7, 8483.75, and 8483.76 by those amounts necessary to properly allocate funding increases pursuant to ~~paragraph (2)~~ of subdivision (a).

~~(c) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subdivision (a) shall be deemed to be "General Fund revenues~~

~~appropriated for school districts," as defined in subdivision (c) of Section 41202, for the fiscal year in which they were appropriated, and included within the "total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as defined in subdivision (e) of Section 41202, for the fiscal year in which they were appropriated.~~