

Date of Hearing: June 30, 2021

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Lisa Calderon, Chair

SB 50 (Limón) – As Amended May 20, 2021

SENATE VOTE: 39-0

SUBJECT: Early learning and care

SUMMARY: Expands the range of types of childcare and early learning services that a state preschool contracting agency may provide. Specifically, **this bill:**

- 1) Makes Legislative findings and declarations pertaining to family childcare and early learning and care programs.
- 2) Expands the child assessment tool options by authorizing public or private providers to use any valid and reliable instrument to meet the requirement to maintain a developmental profile, including, but not limited to, the Desired Results Developmental Profile.
- 3) Expands the age of children that state preschool contracting agencies that provide early learning and care, health services, social services, nutritional services, parent education and parent participation, evaluation, and staff development may serve, from three- and four-year olds, to children age birth through five years.
- 4) Authorizes a California State Preschool Program (CSPP) contracting agency to provide services to any child in an eligible family and who has not yet turned five years of age by September 1 of the fiscal year in which they are being served. Children who turn five years of age by September 1 of the fiscal year in which they are being served may remain in a California state preschool program until they start kindergarten, but no later than September 30.
- 5) Provides that a California state preschool program serving infants and toddlers shall be reimbursed at an equivalent rate to general childcare and development programs, using existing adjustment factors.
- 6) Requires a California state preschool program to meet minimum ratios required for each age group pursuant to Section 18290 of Title 5 of the California Code of Regulations.
- 7) Authorizes a family childcare home education network to be eligible to provide preschool services for children from birth to five years of age, inclusive.
- 8) Requires the State Superintendent of Public Instruction (Superintendent), by July 1, 2023, to develop and implement a plan to award contracts as three-year grants, with annual budget periods, based on child enrollment, using existing adjustment factors. The plan shall aim to do all of the following:
 - a) Streamline and improve the application and contracting process for contracting agencies, including the application and contracting process for family childcare home education networks;

- b) Focus contract goals and reporting requirements on positive outcomes for children, families, and providers, and reduce unnecessary reporting requirements;
 - c) Reimburse programs based on child days of enrollment;
 - d) Support programs to promote child enrollment, including family engagement and support; and,
 - e) Establish goals to ensure the program's average enrollment remains above 95% of child enrollment.
- 9) Deletes language referring to giving priority to eligible four-year-old children.
- 10) Expands the authority of the Superintendent to allow intraagency and interagency adjustments between state preschool contracts and general childcare contracts to also include family childcare home education network contracts, and migrant childcare and development contracts for the same agency.
- 11) Changes from January 1, 2020, to January 1, 2022, the date when a provider operating a state preschool program within the attendance boundary of a public school, as specified, may enroll three- and four-year-old children without verifying or documenting income eligibility. Changes from December 1, 2019, to December 1, 2022, the date when the California Department of Education (CDE) shall these provisions through management bulletins or similar letters of instruction. Further, changes from December 31, 2020, to December 31, 2023, the date when CDE shall initiate a rulemaking action to implement these provisions.
- 12) Provides that families enrolled without verifying or documenting income eligibility shall be assessed the maximum applicable monthly fee listed in the established fee schedule.
- 13) Provides that families enrolled without verifying or documenting income eligibility may, at enrollment or any other time, voluntarily report income. This information shall be documented, and shall be used, as applicable, to reduce the family's fees.
- 14) Requires a contracting agency enrolling families without verifying or documenting income eligibility to inform families at enrollment of their option to voluntarily disclose income to reduce the family's fees, as applicable.
- 15) Adds that a family can be one who has a member of its household who is certified to receive benefits from Medi-Cal, CalFresh, the California Food Assistance Program, the California Special Supplemental Nutrition Assistance Program for Women, Infants, and Children (WIC), the Food Distribution Program on Indian Reservations, Head Start, Early Head Start, or any other designated means-tested government program to the list of potential requirements that a family must be to be eligible for state subsidized child development services.
- 16) Expands, from 12 months to 24 months, the period of a family's eligibility for ongoing services after establishing initial eligibility.

- 17) Expands priority for eligibility, enrollment, and services to include a family who has a member of its household who is certified to receive benefits from Medi-Cal, CalFresh, the California Food Assistance Program, the California Special Supplemental Nutrition Assistance Program for Women, Infants, and Children, the Food Distribution Program on Indian Reservations, Head Start, Early Head Start, or any other designated means-tested government program, as determined by CDE.
- 18) Provides that eligibility “as determined by CDE” means either:
 - a) The family provides documentation of current enrollment in the program, unless the contracting agency has, and elects to use, other means of obtaining verification of that enrollment; or,
 - b) A contracting agency has determined a member of the household is eligible for Head Start or Early Head Start services.
- 19) Prohibits further proof of income from being required for determining eligibility.
- 20) Provides that if a family is eligible for services on the basis that the parent is employed, and the parent’s employment has a variable schedule, the contracting agency shall use simplifying assumptions to authorize the maximum certified hours of care based on need for care. Further, does not require the family to report a change in employment schedule for at least 24 months after establishing eligibility; however, authorizes a family, at any time, to voluntarily report a change in schedule.
- 21) Provides that if a family is eligible for services on the basis that the family is homeless, or that the parents are seeking employment or seeking permanent housing for family stability, services shall occur on no more than five days per week and for less than 40 hours per week.
- 22) Requires CDE to use the product of a child’s days of enrollment for each certified child multiplied by the contract rate and applicable adjustment factors to determine reimbursement rates.
- 23) Makes technical changes to reflect the transfer of many early learning programs from CDE to the California Department of Social Services (CDSS).

EXISTING LAW:

- 1) Establishes the “Child Care and Development Services Act” to provide child care and development services as part of a coordinated, comprehensive, and cost-effective system serving children from birth to 13 years old and their parents including a full range of supervision, health, and support services through full- and part-time programs. (Education Code Section [EDC] 8200 *et seq.*)
- 2) Requires families to meet certain criteria in order to be eligible for federal and state subsidized child development services, including that a family must be either a current aid recipient, income eligible, homeless, or one whose children are recipients of protective services or have been identified as being abused or neglected, as specified. (EDC 8263)

- 3) Requires the Superintendent to administer all state preschool programs, which include, but are not 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. (EDC 8235(a))
- 4) Requires state preschool providers to give first priority to three- or four-year-old neglected or abused children who are recipients of child protective services; second priority is for eligible four-year-old children who are not enrolled in a state-funded transitional kindergarten program; third priority is for eligible three-year-old children. (EDC 8236)
- 5) Establishes that three- and four-year-old children are eligible for the part-day state preschool program if the family meets specified criteria, is a current aid recipient, income eligible, homeless, or one whose children are recipients of protective services. (EDC 8235)
- 6) Requires that families in full-year care be assessed a flat monthly fee based on income, certified family need for full-time or part-time care services, and enrollment. The family fee is determined by a schedule that is developed by the Superintendent. Prohibits the family fee from being based on actual attendance. (EDC 8273)
- 7) Establishes eligibility criteria for state subsidized child development services based on family and child circumstance, including, but not limited to, income, homelessness, or if a child is or has been abused, neglected or exploited, as specified. (EDC 8263)
- 8) Establishes priority for federal and state subsidized child development services as follows:
 - a) First priority shall be given to neglected or abused children who are recipients of child protective services, or children who are at risk of being neglected or abused.
 - b) Second priority shall be given equally to eligible families, regardless of the number of parents in the home, who are income eligible. Within this priority, families with the lowest gross monthly income in relation to family size shall be admitted first. For purposes of determining order of admission, grants of public assistance recipients shall be counted as income. (EDC 8263)
- 9) Requires CDE to promote full utilization of childcare and development funds and match available unused funds with identified service needs. Further, requires CDE to arrange intra-agency adjustments between California state preschool contracts and general childcare contracts for the same agency and funding allocation. (EDC 8236.2)
- 10) Requires CDE to, in order to further full utilization and match fund with needs, arrange interagency adjustments between different contractors with the same type of contract when both agencies mutually agree to a temporary transfer of funds for the balance of the fiscal year. (EDC 8275.5)

FISCAL EFFECT: According to the Senate Appropriations Committee on May 20, 2021, CDE estimates General Fund costs of \$1.5 million and 7.9 positions in the budget year and approximately \$1.34 million and 7.1 positions thereafter to comply with the bill's requirements. Additionally, CDE also indicates that the additional categories of children who are eligible and the modification of categories of children that are given priority under the CSPP will likely result

in an unknown loss in program savings for the state. This assumes that contractors are able to enroll additional children into the program.

COMMENTS:

Governance of subsidized childcare: California’s subsidized childcare system is designed to provide assistance to parents and guardians who are working, in training, seeking employment, incapacitated, or in need of respite. This childcare is available through a number of programs. The health, well-being, and education of young children are coordinated across multiple state agencies in California. CDSS is the lead agency for licensing and inspecting childcare facilities. CDSS also administers the California Work Opportunity and Responsibility to Kids (CalWORKs) Stage 1 childcare program, Foster Care Bridge Program, and other support programs. CDE is the lead agency for purposes for administering the CalWORKs child care Stages 2 & 3, General Child Care, which includes contracted centers and family child care homes; the CSPP, which provides developmentally, culturally, and linguistically appropriate curriculum to eligible three- and four-year olds; Alternative Payment Programs, which provide vouchers that can be used to obtain child care in a center, family child care home, or from a license-exempt provider; and, other child care support programs. Additionally, there are two different sections in the California Code of Regulations that establish two sets of standards for childcare providers (Title 5 and Title 22) and two rate models.

Under this complicated system, depending on their business models, providers might have multiple contracts for providing services. For example, under current law, one early learning contractor could have a state preschool contract to serve 3- and 4-year-olds, a general childcare contract to serve infants and toddlers or school-age children, and a family childcare home education network to partner with home-based providers to serve children.

SB 98 (Committee on Budget and Fiscal Review), Chapter 24, Statutes of 2020, will transfer many childcare programs from CDE to CDSS in July 2021. This change is largely meant to reduce administrative and other barriers to program access so that programs and providers can focus on positive child and family outcomes and help meet the goals of the Master Plan for Early Learning and Education. However, CSPP will not be among the programs relocated from CDE to CDSS.

Publicly Funded Preschool Programs: California has three main publicly funded preschool programs—CSPP, Head Start, and Transitional Kindergarten. CSPP serves three- to four-year-olds in low-income families with both part-day and full-day care, prioritizing employed parents for the latter. Head Start serves children from birth to five in families with incomes under the federal poverty line (\$21,000 for a family of 3). Transitional Kindergarten has no income requirements, but enrolls four-year-olds who turn five between September 2nd and December 2nd.

Master Plan for Early Learning and Care: In December 2020, the California Health and Human Services Agency released the *Master Plan for Early Learning and Care* (Master Plan) to create a roadmap and recommendations for expanding and improving California’s early learning and care system over the next five to ten years. Within the Master Plan was a recommendation to create universal transitional kindergarten for four-year-olds and expand state-subsidized preschool to all income-eligible 3-year-olds and 3-year-olds with disabilities. Also included in the Master Plan was the recommendation to streamline family eligibility for services.

Need for this bill: According to the author, “The first five years of a child’s life shape the architecture of their brain, and build a foundation for future learning and success. Quality early learning experiences during the earliest years help set children on a path to thrive in school and life, while supporting working parents. Unfortunately, less than one in 5 children who are eligible for a state subsidized program are able to participate in one.

“[This bill] will enable family child care providers to serve young children in the State Preschool Program. Additionally, this bill will facilitate enrollment for families and providers by expanding categorical eligibility to families who need childcare services and who are already enrolled in CalFresh, Medi-Cal, WIC or Head Start while also allowing for 24-month continuous eligibility. These changes will reduce the paperwork and administrative burden on families and providers, while also allowing for more continuity of care for children.”

Staff Comments: This bill makes several changes to the scope of the CSPP, many of which are laudable changes, but the bill also makes some changes that may need to be reconsidered or revised. The transition of early learning and care programs from CDE to CDSS fundamentally shifted the administration of infant and toddler care to CDSS leaving programs that focus more on rigorous educational components of early learning and care (i.e., CSPP) under the administration of CDE. This bill would expand CSPP such that infants and toddlers would be incorporated into a traditionally preschool-focused program. Several considerations arise from that expansion. Including infant and toddler care within CSPP seems duplicative of other subsidized programs that already address that age group. It is unknown what the effect would be on providers of those programs. Many of those programs are already impacted and have families on waitlists awaiting childcare. This bill however does not increase the number of available slots.

This bill deems recipients of specified means-tested government programs, like Medi-Cal, CalFresh, and Head Start, as eligible for subsidized childcare or state preschool. This essentially creates direct certification of eligibility for these families. This streamlined eligibility may increase demand for subsidized childcare while the number of childcare slots is not increased causing existing waitlists to grow larger. Additionally, the income thresholds for the specified means-tested programs differ. While the categorical eligibility streamlines the process for becoming eligible for CSPP, it is worth considering whether families most in need would now be at a disadvantage for receiving care.

Therefore, ***should this bill move forward, the author may wish to consider limiting the expansion age for the CSPP to not include infants and toddlers, and to prioritize the neediest families.***

Double referral: This bill will be referred to the Assembly Education Committee should it pass out of this committee.

PRIOR AND RELATED LEGISLATION:

AB 22 (McCarty) of 2021, among other things, expands transitional kindergarten to younger four-year olds. AB 22 is set to be heard by the Senate Education Committee on June 30, 2021.

AB 321 (Valladares) of 2021, among other things, authorizes a part-day California state preschool program, after all otherwise eligible children have been enrolled, to provide services to three- and four-year-old children in families whose income is above the income eligibility threshold if those children come from a family in which the primary home language is a

language other than English. AB 321 was set to be heard by the Assembly Human Services Committee but the hearing was postponed by the committee.

SB 246 (Leyva) of 2021, requires CDSS to establish a single reimbursement rate for early learning and care programs, including variation for regional costs and quality adjustment factors. SB 246 is set to be heard by the Assembly Human Services Committee on June 30, 2021.

SB 89 (Committee on Budget and Fiscal Review) Chapter 24, Statutes of 2020, among other things, authorized the transfer of several child care and development programs currently administered by CDE to CDSS effective July 1, 2021.

AB 123 (McCarty) of 2020, would have deemed recipients of Medi-Cal or CalFresh as eligible for subsidized childcare, would have required CDE to allow general childcare providers to serve children age 0-12 in a commingled classroom, would have also authorized state preschool providers and general childcare providers to waive family fees if serving students only via distance learning, and would have required CDE to allow and arrange interagency adjustments between California state preschool contracts and general childcare contracts. AB 123 was held on the Senate Appropriations Committee suspense file.

REGISTERED SUPPORT / OPPOSITION:

Support

Black Leadership Council
Cambridge Community Center
Early Edge California
EveryChild California
Friends Committee on Legislation of California
Good2Know Partners
Kidango
League of Women Voters of California
Los Angeles Unified School District
Office of the Riverside County Superintendent of Schools
San Diego Unified School District
The Education Trust – West
One private citizen

Opposition

None on file

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