SENATE COMMITTEE ON EDUCATION
Senator Connie Leyva, Chair
2019 - 2020 Regular

Bill No:	AB 324	**Hearing Date:**	June 26, 2019
Author:	Aguiar-Curry		
Version:	May 16, 2019		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Olgalilia Ramirez		

Subject: Childcare services: state subsidized childcare: professional support stipends.

NOTE: This bill has been referred to the Committees on Education and Human Services. A "do pass" motion should include referral to the Committee on Human Services.

SUMMARY

This bill expands access to, and adopts revised standards related to, stipends designed to facilitate the professional development of providers of high-quality subsidized childcare.

BACKGROUND

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 (EC)§ 8200 et seq.)

2) Defines “child care and development services” to mean services designed to meet a wide variety of children’s and families’ needs while parents and guardians are working, in training, seeking employment, incapacitated, or in need of respite and states that these services may include direct care a supervision, instructional activities, resource and referral programs, and alternative payment arrangements. (EC § 8208 (j))

3) States the intent of the Legislature that all families have access to child care and development services, through resource and referral where appropriate, and regardless of demographic background or special needs, and that families are provided the opportunity to attain financial stability through employment, while maximizing growth and development of their children, and enhancing their parenting skills through participation in child care and development programs. (EC § 8202)

4) Requires the Superintendent of Public Instruction (SPI) to administer general child care and development programs to include, among other things as specified, age- and developmentally-appropriate activities, supervision, parenting education and involvement, and nutrition. Further allows such programs to be

designed to meet child-related needs identified by parents or guardians, as specified. (EC § 8240 and 8241)

5) 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, or at risk of being, abused, or neglected, as specified. (EC § 8263)

6) Requires the SPI to implement a plan that establishes reasonable standards and assigned reimbursement rates for childcare and development services, to vary by length of program year and hours of service, and establishes amounts for, and provides for an annual cost-of-living adjustment to, the standard reimbursement rate for contracted providers. (EC § 8265)

7) Provides for the establishment of regional market rate ceilings for voucher-based childcare and states Legislative intent that childcare providers be reimbursed at the 85th percentile of the most recent regional market rate survey. (EC § 8222, 8357, 8444)

8) Requires funds appropriated for this section of law to be allocated to local child care and development planning councils based on the percentage of funds received for state-subsidized center-based child care in that county and used for the purposes of retaining qualified child care employees in state-subsidized child care centers. Further, permits any of the appropriated funds that are allocated for use in Los Angeles County, appropriated in the Annual Budget Act, and are unspent after addressing the retention of child care employees in subsidized child care centers or family childcare home education networks (FCCHENs) to also be used to address the retention of providers in licensed childcare programs serving a majority of children receiving subsidized care, including family day care homes, as specified. (EC § 8279.7).

ANALYSIS

This bill:

1) Recasts Legislative intent found in current law regarding supporting child care providers by deleting language expressing intent to assist counties in improving the retention of qualified childcare employees who work directly with children who receive state-subsidized childcare services and, instead, stating Legislative intent to assist Quality Counts California's Quality Rating and Improvement System (QRIS) local consortia in providing professional development and higher education support for providers who work with children receiving subsidized childcare, as specified.

2) Deletes Legislative intent specific to the unique childcare challenges of Los Angeles County and, instead, states Legislative intent to support diversity in the early care and education profession and strengthen and improve the quality and craft of the childcare workforce, as specified.

3) Modifies provisions of current law related to the expenditure of certain funds for the retention of licensed providers of subsidized child care in family day care homes by deleting, among other things, reference to a specific allocation of funds to Los Angeles County and, instead, requiring certain funds appropriated in the annual Budget Act to be allocated to alternative payment program agencies to provide professional support stipends to qualified licensed providers of subsidized childcare, as specified.

4) Provides that the department allow a county plan approved pursuant to the bill to establish a local childcare and development planning council as the fiscal agent for professional support stipends to qualified persons working in licensed childcare programs.

5) Requires the department to provide professional support stipends to qualified childcare employees in state-subsidized childcare centers and family childcare home education networks, upon an appropriation by the Legislature for this purpose.

6) Modifies provisions related to the department's development of guidelines for us by local childcare and development planning councils by deleting certain requirements including, among other things, that the guidelines be consistent with the department's current workforce needs assessment, and instead, requires that the department, on or before January 1, 2021, develop guidelines for use by local childcare and development planning councils and alternative payment program agencies in developing unified county plans spending plans in coordination with the local Quality Counts California county consortium, as specified.

7) Requires that the department approve any county plan developed pursuant to the guidelines established by the provisions in this bill prior to the allocation of funds to the local childcare and development planning council or alternative payment program agency, and ensure that the plans meet all of the following requirements:

   a) Have no more than one professional support stipend plan per county of which contains the signatures of all alternative payment program agencies and the Quality Counts California's quality rating and improvement system local consortia members.

   b) Make stipends available to providers across child development program types and settings as well as childcare provider types.

   c) Integrate stipends into and align them with the comprehensive Quality Counts California professional development system in the county.

   d) Use stipends to support a childcare provider's higher education attainment or professional development plan and support a childcare provider to move up the California Early learning Career Lattice, as appropriate.

   e) Ensure stipends support individual childcare provider growth, and be part of the childcare site's quality improvement plan, as appropriate.

f) Register and report to the department stipend use and childcare provider professional development and higher education attainment outcomes.

g) Require local childcare and development planning councils and alternative payment program agencies conduct a regulate evaluation in order to examine participant outcomes and identify and replicate best practices from around the state.

8) Modifies provisions that require the Superintendent to annually report on the distribution of funds by county, by additionally include reporting by provider type and a description of the funds used to meet the department guidelines.

9) Specifies findings and declarations related to the provisions in the bill.

10) States that it is the Legislature's intent to, among other things, assist Quality County's California's quality rating and improvement system local consortia in providing professional development and higher education support for all qualified childcare providers who work directly with children who receive state-subsidized childcare services.

11) Makes technical and conforming changes.

STAFF COMMENTS

1) ***Need for the bill***. According to the author, "The demand for childcare has skyrocketed over the past 50 years, with more parents joining the workforce. However, finding quality childcare is increasingly difficult. Part of the problem is due to a shortage in the childcare workforce, low wages, educational barriers to entry, and high start-up costs. In response to this problem, the State has invested in professional development in the early care and education (ECE) sector, but employees are still leaving the field.

In 2000, AB 212 (Aroner) authorized funds available through the Child Care and Development Fund's (CCDF) Quality Improvement (QI) fund to support childcare development staff retention activities conducted by Local Planning Councils (LPCs) throughout California. These funds aim to retain quality staff who have experience working directly with children in state-subsidized, Title 5 child development programs. The funds are used to provide services such as: increased staff wages and benefits, tutoring and mentorship programs, financial aid assistance, career counseling, and professional development. Fifty-five counties currently participate in this funding program. The remaining three counties do not have any state-subsidized centers, and therefore do not participate.

Under existing law, there is limited guidance as to how these funds should be expended. This has led to a wide variety in implementation of the funds throughout the state. Large inconsistencies exist in the intentionality of the programs, the resources and support provided to educators, and the measurements of success used. For example, one county uses AB 212 funds to provide coursework reimbursements. Other counties blend their AB 212 funds with other funds to form a more robust professional development program. In 2010, state law was amended to allow Los Angeles County to spend unused AB 212 funds for Title 22 programs, which were not previously eligible. With these funds, Los Angeles County focused on academic credits for degrees.

To support quality, diverse ECE staff, California needs to define its AB 212 goals more clearly and identify the strategies it is trying to implement with AB 212 funds. AB 324 requires CDE to develop guidelines for the use of AB 212 funds. The new guidelines still allow for local flexibility, but create a standardized, effective, and measurable funding program."

2) **State-subsidized childcare.** Families may be eligible for state-subsidized childcare through participation in CalWORKs, or based on income and if they can show need for childcare services. Income eligibility for families that are not current recipients of CalWORKs (general childcare) is established, initially, at 70 percent of state median income. Families remain income eligible until their adjusted monthly income exceeds 85 percent of the most recent state median income, adjusted for family size. The state's child care and development services are delivered to eligible families through three categories of providers, providers with a direct service contract with the CDE (Title 5) and voucher-based licensed and licensed-exempt (Title 22) and CalWORKs (Title 22). This mixed delivery system allows families to choose from center-based care, family childcare homes and in-home care. The provisions in this bill impact workers in state subsidized childcare programs that are center-based and other licensed.

3) ***Quality Counts***. According to the National Center on Early Childhood Quality Assurance, established in the U.S. Department of Health and Human Services' Administration for Children and Families, a QRIS is "a systemic approach to assess, improve, and communicate the level of quality in early and school-age care and education programs. Similar to rating systems for restaurants and hotels, QRIS award quality ratings to early and school-age care and education programs that meet a set of defined program standards. By participating in their State's QRIS, early and school-age care providers embark on a path of continuous quality improvement. Even providers that have met the standards of the lowest QRIS levels have achieved a level of quality that is beyond the minimum requirements to operate."

In this state, Quality Counts California is a statewide system of locally-implemented QRIS, aimed at connecting parents and families to high-quality early care and education programs. Quality Counts California seeks to ensure that young children have local access to quality early learning experiences. It also provides support and resources to early care and education providers, enabling them to establish high-quality early care and education programs. This bill requires that the department develop guidelines for use by local planning councils and alternative payment program agencies in developing unified county plans in coordination with the local Quality Counts California county consortium. It also requires that the plan call for stipends to be integrated into and aligned with the comprehensive Quality Counts California professional development system in that county.

4) ***Existing childcare worker retention program.*** In fiscal year, 2017-18 $10.7 million was directed to local childcare planning councils for the staff retention program established by AB 212 (Aroner, Chapter 547, Statutes of 2000). The purpose of this program is to improve the retention of qualified child development employees who work directly with children in California Department of Education (CDE) contracted Title 5 Child Care and Development programs, including State Preschools. This funding is allocated to Local planning councils based on the percentage of state subsidized, center-based childcare funds in a county. The program recognizes individual child development staff for various levels of career ladder attainment and continuous work experience in a Title 5 Child Care and Development or State Preschool program. However, current law allows Los Angeles County to designate AB 212 funding for workers in centers without CDE contracts and licensed family childcare providers.

5) **Retention program report**. Current law requires the submission of an annual report for the distribution of AB 212 funds allocated to local childcare and development planning councils for addressing the retention of qualified childcare employees in state-subsidized childcare services. Staff notes although funds were distributed in 2017-2018 the latest report completed was for the 2012-2013 fiscal year. That report states that all participating counties at that time used funding to provide stipends to eligible child development staff and to allow staff to pursue additional education, thereby increasing their likelihood of remaining in the field. In accordance with the legislation and the approved guidelines, funds were also spent on planning and administrative costs associated with the implementation of the approved local plans.

During FY 2012–13, the following Title 5 child development staff received stipends from the Child Development Staff Retention Program:

• 1,858 Assistant and Associate Teachers • 1,911 Teachers/Master Teachers • 987 Site Supervisors • 324 Directors.

Many Local Planning Councils targeted resources toward the lowest paid staff that work directly with children. The average range of stipends per employee was between $1,500 and $1,800, which assisted in paying for books and tuition. The average participant completed 22.5 hours of professional development classes.

6) ***Related budget activity.*** Budget trailer bill AB 75 (Committee on Budget, 2019) provides $195 million for a new competitive early learning and care workforce development grants program to be distributed over a four-year period. Specifically it requires the Superintendent to administer the Early Learning and Care Workforce Development Grants program to expand the number of qualified childcare and early learning professionals and increase the educational credentials of existing childcare and early learning professionals across the state, pursuant to this section. Workforce development grants may be used for costs associated with the educational expenses of current and future childcare and early learning professionals that move those professionals along the childcare

and early learning professional continuum career lattice and support their attainment of increased education in early childhood instruction or child development. Staff understands that this is new money for workforce development is separate from the workforce retention program established by AB 212.

SUPPORT

California Alternative Payment Program Association
California Association for the Education of Young Children
California Family Resource Association
Child 360
Child Care Alliance of Los Angeles
Child Care Resource Center (Sponsor)
Children Now
Children's Network
Community Child Care Council of Sonoma
First 5 California (Sponsor)
First 5 La
First 5 Lake County
First 5 Los Angeles
First 5 Napa County
First 5 Sacramento
First 5 San Benito
First 5 San Bernardino
First 5 Santa Clara County
First 5 Solano
Junior Leagues of California State Public Affairs Committee
Los Angeles County Board Of Supervisors
North Bay Leadership Council
Quality Start San Bernardino County
UDW/AFSCME Local 3930
United Way of California
Valley Industry and Commerce Association

OPPOSITION

None received

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