

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: May 27, 2008
POSITION: Oppose
SPONSOR: Bay Area Partnership for Children & Youth, LA's BEST, League of CA Afterschool Providers

BILL NUMBER: SB 1674
AUTHOR: T. Torlakson

BILL SUMMARY: Before and After School Programs

This bill would make the following major changes related to the After School Education and Safety Program (ASES): (1) expand the operation of ASES programs to include weekends within a program's maximum or supplemental grant; (2) require subcontracts to include funds for reasonable indirect and administrative costs; and (3) create the California After School Teacher Pipeline Program to recruit instructors from state and federally funded after-school programs to participate in the California School Paraprofessional Teacher Training Program (PTTP) administered by the Commission on Teacher Credentialing (CTC).

FISCAL SUMMARY

A total of \$550 million is continuously appropriated for the ASES program. While this bill would require that costs associated with weekend activities be paid from a program's maximum grant, the Department of Finance (Finance) believes that the bill could result in unknown Proposition 98 General Fund cost pressures potentially in the millions of dollars.

Allowing school districts and county offices of education that currently participate in the PTTP to serve after-school instructors on a pilot basis is not likely to result in significant costs, given that the PTTP has been underutilized in the past. However, this bill could result in future cost pressures to fund additional PTTP participants to the extent that the program is fully utilized.

SUMMARY OF CHANGES

The following amendments to this bill since our analysis of the April 16, 2008 version do not change our position:

- Specifies that weekend participants shall not be included in the program's attendance reports for the calculation of either the maximum grant amount or a supplemental grant amount.
Deletes provisions that would have established minimum before- and after-school grants for schools with a small number of pupils.
Establishes a sunset date of January 1, 2016 for the California After School Teacher Pipeline Program.

Analyst/Principal (0382) S. Swan Date Program Budget Manager Jeannie Oropeza Date

Department Deputy Director Date

Governor's Office: By: Date: Position Approved Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

T. Torlakson

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SB 1674

COMMENTS

Finance is opposed to this bill for the following reasons:

- This bill would transfer \$150,000 of ASES funds, which are intended to support program improvement and provide technical assistance to ASES grantees, for the purpose of implementing the pilot program. Finance notes that using ASES funding for a non-ASES program runs counter to the intent of the voters when Proposition 49 was enacted.
- This bill could result in additional Proposition 98 General Fund cost pressures in the millions of dollars at a time when a structural budget deficit exists, by allowing ASES grantees to operate over the weekend.
- Further, the need for a separate pilot program to encourage after-school instructors to become credentialed appears unnecessary, given that they can currently participate in the PTTP. Additionally, the program has been underutilized in the past and there appears to be excess capacity to serve these individuals in the existing program, thereby negating the need to use ASES funds. Finance notes, however, that to the extent that the PTTP is fully utilized in the future, this bill could result in cost pressures to fund additional participants.
- The intent of this bill, according to the author, is to prevent ASES grantees from retaining the maximum allowance for indirect and administrative costs when subcontracting with agencies to provide some or all of the program services. However, it is unclear whether the combined total of the grantee and subcontractor's indirect and administrative costs are restricted to 15 percent of the total grant.
- It is unclear how the use of funding for weekend activities would be reported or monitored. This bill specifies that after-school programs cannot claim attendance for students over the weekend, but may claim expenses associated with weekend activities.

According to the State Department of Education (SDE), findings through categorical program monitoring have indicated that some ASES grantees, primarily county offices of education and school districts, are not allocating administrative costs to subcontractors responsible for the reporting and collection of attendance data. The SDE is currently working with grantees to correct this problem.

The PTTP provides academic support services to individuals recruited from paraprofessional job classifications who are seeking a preliminary California teaching credential. These programs are sponsored by local education agencies funded through a competitive grant process at a rate of up to \$3,500 per participant. This bill would require the CTC to report on the number of prospective participants who annually apply for the PTTP and are rejected due to constraints on program capacity.

The bill would require the CTC to select up to four school districts, city, county, or nonprofit organizations to participate in the pilot. Applicants would be required to meet all of the same requirements for eligibility and commitments, program design, and program reporting. The CTC would be required to submit a report to the Legislature by January 1, 2014 on the ability of participating school districts to successfully integrate the pilot into their existing program and the number of participants who receive teaching credentials.

Code/Department Agency or Revenue Type	(Fiscal Impact by Fiscal Year)									Fund Code
	SO	(Dollars in Thousands)								
	LA	CO	PROP	FC	2007-2008	FC	2008-2009	FC	2009-2010	
	RV	98								
6110/Dept of Educ	LA	Yes			-----	See Fiscal Summary	-----			0001
6360/Teacher Cred	SO	No			-----	No/Minor Fiscal Impact	-----			0407
6360/Teacher Cred	LA	Yes			-----	See Fiscal Summary	-----			0001
<u>Fund Code</u>	<u>Title</u>									
0001	General Fund									
0407	Teacher Credentials Fund									

