

Date of Hearing: April 7, 2021

ASSEMBLY COMMITTEE ON EDUCATION
Patrick O'Donnell, Chair
AB 22 (McCarty) – As Amended March 29, 2021

SUBJECT: Childcare: preschool programs and transitional kindergarten: enrollment

SUMMARY: Expands eligibility for transitional kindergarten (TK) by adding one month of eligibility per year over a 10-year period to achieve universal TK eligibility by 2032-33, adds specific requirements for TK, and identifies a funding stream. Specifically, **this bill:**

- 1) Requires that children be admitted to a TK program operated by a school district or charter school, beyond the current requirement that children who will have their fifth birthday between September 2 and December 2, and expanding eligibility as follows:
 - a) In 2024-25, a child who has their fifth birthday between September 2 and January 2;
 - b) In 2025-26, a child who has their fifth birthday between September 2 and February 2;
 - c) In 2026-27, a child who has their fifth birthday between September 2 and March 2;
 - d) In 2027-28, a child who has their fifth birthday between September 2 and April 2;
 - e) In 2028-29, a child who has their fifth birthday between September 2 and May 2;
 - f) In 2029-30, a child who has their fifth birthday between September 2 and June 2;
 - g) In 2030-31, a child who has their fifth birthday between September 2 and July 2;
 - h) In 2031-32, a child who has their fifth birthday between September 2 and August 2;
 - i) In the 2032-33 school year, and each year thereafter, a child who will have their fifth birthday between September 2 of the calendar year in which the school year begins and September 1 of the following calendar year.
- 2) Authorizes a school district or charter school to admit a child to a TK program at any time during a school year who will have their fifth birthday after the dates specified above, subject to specified conditions, and requires that the admitted pupil generates average daily attendance (ADA) and be included in unduplicated pupil counts, as specified.
- 3) Defines “modified kindergarten curriculum” as a developmental and academic curriculum that bridges the California Preschool Learning Foundations developed by the California Department of Education (CDE) and the kindergarten academic content standards adopted by the State Board of Education (SBE).
- 4) Requires the CDE, by May 1, 2024, to post on its website recommendations on research and evidence-based curricula and assessments for instructional and diagnostic use in all California State Preschool Program (CSPP) and TK classrooms that meet the following criteria:

- a) Is age and developmentally appropriate for all children eligible for preschool and TK enrollment;
 - b) Includes a focus on content that is aligned with the California Preschool Learning Foundations developed by the CDE and kindergarten academic content standards adopted by the SBE, including language, literacy, and mathematics;
 - c) Is articulated as the preparatory curriculum for the year before kindergarten, is not a repetition of kindergarten standards or foundations, and builds upon children's skills at preschool or TK entry;
 - d) Has an organized developmental scope and sequence that includes plans and materials for learning experiences based on developmental progressions and how children learn;
 - e) Supports and encourages inclusive learning environments;
 - f) Supports the instruction of dual language learners;
 - g) Uses child observation and other diagnostic tools to support child development and academic goals; and
 - h) Supports and encourages family engagement, physical activity, and learning through play.
- 5) Requires the Superintendent of Public Instruction (SPI) to compute an additional adjustment to the existing kindergarten through third grade Local Control Funding Formula (LCFF) base grant, as specified, of an unspecified percentage for each TK pupil enrolled in the school district or charter school. The additional grant is to be calculated by multiplying the kindergarten through third grade base grant adjusted for inflation by an unspecified percentage for each TK pupil.
- 6) Requires each school district or charter school receiving additional funding identified in (6) above, to do all of the following:
- a) Offer a minimum schoolday TK program that is at least equivalent to the minimum schoolday provides for grades 1 to 3;
 - b) Maintain an average TK program enrollment of not more than 24 pupils for each schoolsite, unless otherwise agreed;
 - c) Maintain an average of 1 one adult for every 8 pupils for a TK class size of 24 pupils, or an average of at least 1 adult for every 10 pupils for a TK class size of less than 24 pupils; and
 - d) Have at least one credentialed teacher who has one of the following:
 - i) At least 24 units in early childhood education (ECE) or childhood development, or both;

- ii) Comparable professional experience in a preschool classroom setting, as determined by the LEA; or
 - iii) A child development teacher permit issued by the Commission on Teacher Credentialing (CTC).
- 7) Requires the SPI to authorize CSPP contracting agencies to offer wraparound childcare services for eligible children enrolled in a K-12 education program if their families meet the eligibility and need for care requirements, as specified.
- 8) Adds to the current statutory definition of “4-year-old children” any child whose fifth birthday occurs after September 1 of the fiscal year and whose parent has opted to retain them in a CSPP.
- 9) Requires a CSPP contractor to give priority to 4-year-old children whose parent elects to retain them in the CSPP, after serving 4-year-old children who are neglected or abused, or at risk of abuse or neglect, and before serving 3-year-old children.
- 10) Requires that TK not be construed as a new program or higher level of service.
- 11) Requires, for each fiscal year in which TK pupil enrollment is required to increase, an additional appropriation from the General Fund in the annual Budget Act be made to Proposition 98 in an amount equal to the estimated fiscal year enrollment increase multiplied by the average kindergarten LCFF amount, as specified.
- 12) Expresses the intent of the Legislature:
- a) To provide access to quality early learning opportunities for every four-year-old child in California through the expansion of TK and the institution of quality program improvements to meet the social-emotional and early academic needs of young learners, in alignment with the vision of the Master Plan for Early Learning and Care and as part of a strengthened, comprehensive early learning and care system for children from birth to six years of age;
 - b) To gradually expand TK until all four-year-old children are served as part of the state’s comprehensive early learning and care system;
 - c) That quality program improvements include, classroom staffing ratios that are developmentally appropriate for four-year-old children, fair compensation for teachers and staff reflective of compensation for other teachers and staff with similar professional qualifications, full-school-day programs, and a curriculum that aligns early developmental and learning standards with early academic standards;
 - d) To increase and create new opportunities for the early learning workforce through universal TK and a strengthened and integrated mixed delivery early learning and care system that provides multiple pathways for California’s early learning professionals, who are supported by compensation that recognizes their expertise, ongoing professional development to support their career advancement, and teaching models that leverage their invaluable knowledge and skills for the benefit of young learners; and

- e) For TK to enhance the school readiness of every child in the state by bridging the gap between preschool and school entry so that every child is socially-emotionally and academically prepared for the rigor of school.

EXISTING LAW:

- 1) Defines TK as the first year of a two-year kindergarten program that uses a modified kindergarten curriculum that is age and developmentally appropriate (Education Code (EC) 48000).
- 2) Requires a school district or charter school that maintains a TK program, as a condition of receiving apportionments for TK, to:
 - a) Admit to TK in the 2012-13 school year a child who will have his or her fifth birthday between November 2 and December 2;
 - b) Admit to TK in the 2013-14 school year a child who will have his or her fifth birthday between October 2 and December 2;
 - c) Admit to TK in the 2014-15 school year, and each year thereafter, a child who will have his or her fifth birthday between September 2 and December 2 (EC 48000 (c)).
- 3) Allows, with the approval of the parent, a school district or charter school to admit a child to TK if their fifth birthday will be after December 2, provided that the governing board of the school district determines that the admittance is in the best interest of the child and the parent is given information regarding the effect of early admittance, as specified. Such children do not generate ADA for state funding purposes until they turn five years old (EC 48000).
- 4) Authorizes a school district or charter school to place four-year-old children enrolled in a California state preschool program into a TK program classroom (EC 48000 (h)).
- 5) Establishes compulsory education, requiring children to attend school from age 6 to 18 years of age (EC 48200).
- 6) Requires a child to be admitted to kindergarten if the child will have his or her fifth birthday on or before one of the following dates:
 - a) December 2 of the 2011-12 school year;
 - b) November 1 of the 2012-13 school year;
 - c) October 1 of the 2013-14 school year; and
 - d) September 1 of the 2014-15 school year and each year thereafter (EC 48000).
- 7) Establishes the CSPP and requires that the programs include part-day age and developmentally appropriate programs designed to facilitate the transition to kindergarten for 3- and 4-year-old children in educational development, health services, social services,

nutritional services, parent education and parent participation, evaluation, and staff development (EC 8235).

- 8) Provides that 3- and 4-year-old children are eligible for CSPP if the family is a current CalWORKs recipient; is income eligible; or the children are recipients of Child Protective Services (CPS) (EC 8235).
- 9) Provides that 3- and 4-year-olds are eligible for wraparound child care services to supplement part-day CSPP if the family is eligible for CSPP as they are a current aid recipient, income eligible, homeless, or one whose children are recipients of CPS or have been defined as being, or at risk of being abused, neglected, or exploited (EC 8239).
- 10) Defines “wraparound childcare services” and “wraparound general childcare and development programs” as services provided for the remaining portion of the day or remainder of the year following the completion of part-day preschool services that are necessary to meet the childcare needs of eligible parents, as specified (EC 8239).
- 11) Establishes staffing ratios for subsidized center-based childcare programs serving children from 3- to 6-year-olds at a 1:8 adult-child ratio and a 1:24 teacher-child ratio (EC 8264.8).
- 12) Establishes the federal Head Start program to promote the school readiness of low-income children by enhancing their cognitive, social, and emotional development in a learning environment that supports children’s growth in language, literacy, mathematics, science, social and emotional functioning, creative arts, physical skills, and approaches to learning; and through the provision to low-income children and their families of health, educational, nutritional, social, and other services that are determined, based on family needs assessments, to be necessary (Sec. 635. 42 U.S.C. 9801).

FISCAL EFFECT: Unknown

COMMENTS:

Key provisions of the bill. This bill would require school districts and charter schools to offer TK to a growing number of children by expanding the pool of eligible children by one birth month per year over a 9-year period. An estimated 266,000 additional 4-year-olds would be served in TK at full implementation, by adding approximately 30,000 spaces per year with each month of added eligibility. Approximately 91,000 children currently attend TK programs. Although children would be eligible to attend TK, they would not be required to do so, as California does not mandate school attendance until age 6.

The bill also incentivizes certain programmatic elements of Pre-Kindergarten (Pre-K) quality through providing additional funding contingent upon specified adult-to-child ratios, average class sizes, teacher qualifications, and full-day programs. AB 22 proposes to fund the proposed TK expansion through annual contributions from the General Fund equivalent to the calculated LCFF impact of the increased enrollment of TK pupils.

Need for the bill. According to the author, “Serving California’s 4-year-olds through high-quality, full-day transitional kindergarten will allow our limited preschool capacity to serve more 3-year-olds and to meet working family’s needs. With Proposition 98 increasing, K-12

enrollment declining across the state, and the promise of one-time early childhood education funding from the federal government under the Biden administration, California is in a unique position in 2021 to lay the groundwork for a more robust early childhood education system. Expanding TK will provide relief to K-12 schools experiencing declining enrollment while freeing up funds to bolster California's early care system for infants and toddlers. By ensuring each child in California has access to a year of high-quality pre-kindergarten, AB 22 sets students up for success in kindergarten and beyond."

Research confirms the value of high-quality pre-kindergarten (Pre-K) experiences. "Educators in K-12 school systems are faced with wide disparities in skill levels of entering kindergarteners, which means that all too many children are already far behind many of their peers. Findings in developmental science point toward the importance of early-life experiences in shaping brain development and suggest that if we knew how to provide these experiences in our early education programs, we could have a lifelong impact on children's success." (Phillips, 2017). Findings include:

- Children attending a diverse array of state and school district Pre-K programs are more ready for school at the end of their Pre-K year than children who do not attend Pre-K. Improvements in academic areas such as literacy and numeracy are most common; the smaller number of studies of social-emotional and self-regulatory development generally show more modest improvements in those areas;
- Studies of different groups of preschoolers often find greater improvement in learning at the end of the Pre-K year for economically disadvantaged children and dual language learners (DLLs) than for more advantaged and English-proficient children;
- Pre-K programs are not all equally effective. Several effectiveness factors may be at work in the most successful programs. One such factor supporting early learning is a well implemented, evidence-based curriculum. Coaching for teachers, as well as efforts to promote orderly but active classrooms, may also be helpful; and
- Children's early learning trajectories depend on the quality of their learning experiences not only before and during their Pre-K year, but also following the Pre-K year. Classroom experiences early in elementary school can serve as charging stations for sustaining and amplifying Pre-K learning gains.

Research on recently established, publicly supported preschool programs shows a strong impact on multiple domains of school readiness, including the following:

- Clear evidence of benefits on early literacy, such as children's phonological awareness or ability to identify letters and sounds;
- Positive impact on early mathematical skills;
- Positive impact on children's early language abilities such as oral language skills and receptive vocabulary;

- Significantly fewer children retained in-grade; and
- Significantly lower rates of special education placement (Meloy 2019).

There is also a substantial body of research that indicates that high-impact preschool programs produce especially meaningful benefits for children whose backgrounds and needs have historically put them at risk for falling behind their peers before and after school entry. High-quality preschool often has larger impacts on school readiness for children who need it most, including children experiencing poverty, children of color, children who are DLLs, and children with disabilities.

Research identifies key elements of quality Pre-K programs. According to the Learning Policy Institute (LPI):

The weight of a sizable body of evidence indicates that preschool programs make a substantial difference in preparing children for school. The evidence about continued effects beyond school entry is also positive, but less consistent. In order to generate meaningful impacts, early learning experiences need to be rich and engaging. Implementing a high-quality preschool program well—offering compensation and support that attract and retain a highly qualified workforce; a program day that provides adequate, productive learning time and activities; and child assessments used to individualize learning—is complex and often expensive. Finally, although preschool quality is important, even the highest quality preschool cannot inoculate children from the detrimental effects of poverty or poor elementary and secondary schools. Sustained benefits likely require investments in children and their families that are also sustained from preschool through grade school and beyond.(LPI 2019).

Research on large-scale publicly supported preschool programs suggests that the programs with the greatest impact share the following key elements: (Muenchow, American Institutes for Research (AIR), 2020)

- Early learning and development standards and developmentally appropriate curricula;
- Well-prepared teachers who engage children in responsive interaction in classroom environments that support learning;
- Well-compensated teachers who are incentivized to remain in the field;
- Ongoing professional development, including coaching and mentoring;
- Sufficient learning time;
- Small class size and favorable teacher-to-child ratios;
- Health screening and referral; and
- Meaningful family engagement.

California currently offers a number of options for 4-year-olds. Depending upon a child's birthdate, the income level of the family, or other unique circumstances, a 4-year old child may be eligible to enroll in a CSPP, TK, a Head Start program, or another early care and education program.

- 1) CSPP is administered by the CDE through contractors and provides both part-day (at least 3 hours per day) and full-day (at least 6.5 hours per day) services to eligible 3- and 4-year-olds, including: developmentally appropriate curriculum, parent education, meals and snacks, and referral to social and health services for families. CSPP can be offered in various settings, including childcare centers, family childcare network homes, or in school settings. CSPP contractors include school districts, county offices of education (COEs), and community-based providers. Approximately two-thirds of children in CSPP are served by local education agencies (LEAs), and the remaining one-third are served by community-based organizations. In the 2018-19 fiscal year, approximately 143,000 3- and 4-year-old children were enrolled in a CSPP. Of these, 61% attended part-day programs and 39% attended full-day programs.
- 2) TK is the first year of a two-year kindergarten program. California's Kindergarten Readiness Act of 2010 revised the cutoff date by which children must turn 5 for kindergarten entry in that year. The act established September 1 as the new kindergarten eligibility date, 3 months earlier than the previous date of December 2. The Kindergarten Readiness Act also established TK for all students affected by the birthdate eligibility change. Instead of enrolling in regular kindergarten, students who reach age 5 between September 2 and December 2 instead receive an "age and developmentally appropriate" experience in TK prior to entering kindergarten the following year. TK currently serves older 4-year-olds and young 5-year-olds who have their fifth birthday after the cut-off date for kindergarten (between September 2 and December 2). Schools are also authorized, under certain conditions, to admit children who have their fifth birthday after December 5 to TK programs, but may not claim ADA funding until the child turns 5. Approximately 91,000 children were enrolled in TK in 2018-19.
- 3) Head Start is a federal program providing comprehensive developmental services for low-income children from birth to entry into elementary school. Federal grants are provided directly to local grantees, as the CDE does not administer, and the state does not provide any funding for Head Start programs. California's Head Start program is the largest in the nation. Approximately 82,000 3- and 4-year old children were served in Head Start programs in California as of 2017.
- 4) Other ECE programs offer early education and care to specific populations of 3- and 4-year olds, including programs serving children with exceptional needs or migrant children. Some 4-year-old children are currently served in general child care programs, offered through childcare centers or family childcare home networks administered by the CDE. Finally, LEAs may use a portion of their federal Title I funding or their general LCFE allocations to offer early childhood programs, including preschool. Schools are obligated under federal law to provide necessary services to children identified with exceptional needs from the age of 3, and receive some funding through federal Individuals with Disabilities Education Act (IDEA) funds for this purpose.

An estimated 69% of eligible 4-year olds are currently being served in Pre-K programs. As of 2017, an estimated 293,839 4-year-olds, or 57% of all of the 4-year-olds in the state, were from families who met the income eligibility requirements to qualify for subsidized childcare, namely earning less than 85% of the State Median Income (SMI) or \$80,623 for a family of four in 2019 (AIR, 2019). Additional children are eligible for subsidized care regardless of income, such as children with exceptional needs or those involved with CPS.

As of 2019, an estimated 65% of all 4-year-olds were enrolled in licensed center-based care or TK, and an estimated 69% of income-eligible 4-year-olds statewide were enrolled in some form of CSPP or TK (AIR 2019). These figures vary significantly from one county to another.

It is difficult to gain an accurate count of the number of children served for a number of reasons. As children enter and leave programs throughout the year and due to a lack of a unique child identifier, these children may be counted multiple times. Many children receive service from multiple programs simultaneously for different parts of the day and thus may again be counted more than once. In addition, due to a lack of a statewide eligibility database, it is difficult to identify the total number of children and families eligible for care or the number of children and families currently waiting for care.

Not all families offered the option of subsidized preschool will choose to enroll their children. For example, in two states with universal access to preschool programs, regardless of family income, participation rates are 70% in Oklahoma and approximately 80% in Florida (AIR 2016).

Determining an accurate estimate of the unmet need for Pre-K services among 4-year-old eligible children is difficult for many of the reasons identified above. Assuming a participation rate of 85%, estimates of the number of eligible children not served by a publicly supported ECE program range from 27,000 – 62,000 children (AIR, 2019).

This bill would provide opportunities, over time, for all 4-year-old children to be served, regardless of income level, in a TK program. However, as noted previously, this bill would not require children to be enrolled if a parent chooses not to participate in a Pre-K program, or prefers that their child remain in an existing CSPP.

Research supports the value of California's TK program. A comprehensive evaluation of the impact of TK on California students as implemented in the 2013-14 and 2014-15 school years, included the following findings:

- TK improves mathematics knowledge and problem-solving skills for participating students, giving them almost a three month advantage for problem-solving skills over students who did not attend TK;
- TK also improves students' literacy skills, putting them ahead of their peers who did not attend TK by six months at kindergarten entry;
- TK has a positive impact on the language, literacy, and math skills of all students at kindergarten entry. It has a particularly strong impact on the English language skills of DLLs and on math skills of low-income students;

- TK improves mathematics knowledge and problem-solving skills for DLL students, giving them almost a six month advantage over DLL students who did not attend TK;
- TK also improves literacy skills for DLL students, putting them ahead of their peers who did not attend TK by more than seven months at kindergarten entry;
- Participating in TK gives DLL students a substantial boost in their English language development, including in speaking and listening skills and overall language proficiency. This benefit holds true for DLL students from all language groups;
- TK has a persisting impact on all students' letter and word identification skills at the end of kindergarten, and on literacy and math skills for low-income students and math skills for Hispanic students;
- TK structured as a standalone classroom had a similar impact on students' skills as classrooms with TK and kindergarten combined;
- The benefit of TK for participating children varied little if at all with teachers' specific instructional practices. It may be that what is driving TK's impact is what TK classrooms have in common: highly qualified teachers, alignment with kindergarten, and mixed income classrooms (AIR, 2017).

Will universal TK meet the developmental needs of 4-year-olds and the needs of working families? As noted earlier, high-quality Pre-K programs are characterized by certain elements including student-to-teacher ratios, teacher qualifications, and the implementation of a developmentally appropriate curriculum, among other factors. Currently, TK programs in California differ significantly from CSPP or Head Start programs in many of these facets.

- 1) Class size and ratios. Current California law requires that a school site maintain an average class size of no more than 31 students for TK and kindergarten classes, with no class exceeding 33 students. There is no requirement that TK or kindergarten classes have an additional teacher or aide, regardless of the size of the class. Conversely, CSPP programs, operating under California Code of Regulations, Title 5 must maintain a 1:8 adult-to-child ratio and a 1:24 teacher-to-child ratio, and Head Start programs require a 1:8 ratio.

This bill would require schools, in order to qualify for additional incentive funding, to maintain an average TK class enrollment per site of no more than 24 pupils, with ratios of 1:8 for a class size of 24 pupils, and 1:10 for class sizes less than 24 pupils. The bill does not speak to the provision of standalone versus combination TK/K classrooms.

- 2) Curriculum. There is no state curriculum mandated for TK, but current law refers to a "modified kindergarten curriculum" that is age and developmentally appropriate. Legislative intent states that the TK curriculum be aligned to the California Preschool Learning Foundations developed by CDE and required to be used in all CSPPs. This bill defines a "modified kindergarten curriculum" as a developmental and academic curriculum that bridges the California Preschool Learning Foundations and the kindergarten academic content standards adopted by the SBE.

- 3) Assessments. CSPP contractors are currently required to implement the Desired Results Developmental Profile (DRDP) assessment instrument, for all enrolled children within 60 calendar days of initial enrollment and at least once every 6 months thereafter. The DRDP is a formative assessment instrument developed by the CDE. The DRDP is administered within the preschool setting through teacher observations, family observations, and examples of children's work. Some in the ECE field dispute the value of the DRDP and object to the time and effort taken to administer it. This bill would require that the CDE, by May 1, 2024, post on its website recommendations on research and evidence-based curricula and assessments for instructional and diagnostic use in all CSPP and TK classrooms that meet specified criteria.
- 4) Teacher qualifications. TK teachers are required to hold a multiple subject credential, and as of August 2021, must also have one of the following: 24 units in ECE or child development, comparable experience in a preschool classroom, or a child development teacher permit issued by the CTC. CSPP does not require a bachelor's degree or teaching credential, but does require a teacher to have a Child Development Permit, which may include an associate's degree with specified course work in ECE. This bill requires that each TK class have at least one credentialed teacher with the requisite 24 units of ECE coursework or comparable experience.
- 5) Instructional day and year. According to current law, the minimum kindergarten (including TK) schoolday is 180 minutes or 3 hours, with a maximum of 4 hours. Schools that have adopted a full-day kindergarten or TK program may exceed 4 hours. A school year is typically 180 days. A three or four hour program is not likely to meet the needs of working families who need a program that aligns with a full workday. Alternatively, CSPP or Head Start programs typically offer full-day, full-year programs (up to 240 days per year).

This bill would require TK classes, in order to qualify for additional incentive funding, to offer a minimum TK schoolday equivalent to the minimum schoolday provided for pupils in grades 1 to 3. The bill also authorizes CSPP contractors to offer wraparound childcare services for TK pupils eligible for subsidized care to meet the needs of working families.

A study of the implementation of California's TK program three years into the program found that:

- Class sizes varied substantially from 8 to 30 students, with an average of 20 students statewide. The average class size for a standalone TK classroom was 19 students, while TK/K combination classes averaged 24 students;
- 76% of TK classrooms in 2014-15 were standalone, while 24% were combination classes in which TK students are in the same classroom as kindergarten students;
- 63% of TK classrooms were full-day programs, offering an average of 6 hours of instruction per day;
- Approximately half of all TK teachers had assistance from another teacher or aide in the classroom for at least part of the day, bringing the average adult-to-child ratio to 1:17 over the course of a day or week;

- All TK teachers held a bachelor's degree, and 50% reported holding a master's degree as well; 96% of TK teachers held an elementary multiple subject credential, and 23% had taught preschool prior to teaching TK; and
- Teachers in TK/K combination classrooms devoted up to 67% of instructional time to literacy and mathematics, while standalone TK teachers only spent up to 39% of the time across these two subjects, devoting a significantly greater percentage of time to social-emotional learning, music, art, and social studies than in TK/K combination classrooms (AIR, 2016).

The expansion of TK could limit access to alternative Pre-K options. Concerns have been raised about the impact of an expansion of TK on CSPP providers, particularly those community-based providers not affiliated with an LEA. If sufficient numbers of 4-year-olds are enrolled in TK rather than CSPP, the CSPP contractors could experience significant drops in enrollment, jeopardizing their ability to earn their contracts, or to remain open. CSPP contracts held by LEAs may be relinquished if the LEA determines that operating a TK program is more financially viable than a CSPP. The loss of full-day, full-year CSPP programs could negatively impact parent choice and the ability of parents to find care that best meets the needs of the child and family, particularly for those families needing care in non-traditional hours, such as evenings and weekends.

The author contends that universal TK will not displace CSPP as moving 4-year-olds to TK will allow CSPP providers to serve more 3-year-olds or younger children, and to serve TK students with wraparound services in order to provide full-day, full-year care.

Another factor cited by CSPP contractors is the disparity in the costs of serving preschool age children versus infants and toddlers, due to the differing ratio requirements, which impact staffing costs. Contractors note that the revenues associated with serving 4-year-olds contribute to offsetting the higher costs associated with caring for infants and toddlers. They express concern that without a sufficient number of 4-year-olds in their programs, the programs will not be financially viable in serving infants and toddlers, further exacerbating the shortage of infant and toddler childcare slots. The author notes that other legislation introduced in this Session addresses childcare rate reform as well as the overall birth through five-year ECE system.

Already weak teaching pipeline further damaged by COVID-19 education disruptions. A March, 2021 report by LPI raised concerns about the effects of the COVID-19 pandemic on the teacher shortage in California:

- *Teacher shortages remain a critical problem.* Most districts have found teachers to be in short supply, especially for math, science, special education, and bilingual education. Shortages are especially concerning as a return to in-person instruction will require even more teachers to accommodate physical distancing requirements. Most districts are filling hiring needs with teachers on substandard credentials and permits, reflecting a statewide trend of increasing reliance on underprepared teachers.
- *Teacher pipeline problems are exacerbated by teacher testing policies and inadequate financial aid for completing preparation.* Many districts attributed shortages to having a limited pool of fully credentialed applicants, with more than half reporting that testing

requirements and lack of financial support for teacher education pose barriers to entry into teaching.

- *Teacher workload and burnout are major concerns.* The transition to online and hybrid learning models has had a steep learning curve and poses ongoing challenges that have been a primary contributor to some teachers' decisions to retire earlier than previously planned. With district leaders estimating that teacher workloads have at least doubled, many were concerned that the stressors of managing the challenges of the pandemic on top of the challenges of an increased workload could lead to teacher burnout and increased turnover rates.
- *Growing retirements and resignations further reduce supply.* In some districts, retirements and resignations are contributing to shortages, while in others, these retirements and resignations offset the need for anticipated layoffs due to expected budget cuts this school year. District leaders anticipate higher retirement rates next year, which could exacerbate shortages.

In February, 2021, the California State Teachers Retirement System (CalSTRS) reported an increase in retirements related to the COVID-19 pandemic. In the second half of 2020, the number of retirements (3,202) increased 26% over the same period in 2019. In a survey of 500 members, CalSTRS learned that 62% of those surveyed retired earlier than planned. The top three reasons given by respondents were:

- 56%: Challenges of teaching during the COVID-19 pandemic;
- 35%: Did not want to continue working remotely; and
- 35%: Did not want to risk exposure to COVID-19.

CalSTRS reported that the largest number of CalSTRS service retirements was in fiscal year 2009–10, during the global financial crisis and recession. More than 16,000 members filed for retirement. CalSTRS estimates that, as a result of the pandemic, California is poised to experience our second highest year of retirements. If current trends continue, the total for 2020–21 will be just under 16,000.

Will there be a sufficient number of TK teachers to meet the demands of an expanding TK program? As noted above, school districts across the State are experiencing a serious shortage of qualified teachers. The California School Boards Association (CSBA) expresses concern that the existing teacher pipeline will not produce enough teachers to support this increase in enrollment, and that additional funding will be needed to expand the recruitment and retention of teachers.

The author contends that, as California is facing steep declining enrollment, with a decrease of over 20,000 students each year, the phasing in of TK will offset this decline and save jobs for teachers without exacerbating the existing teacher shortage. Although this may be true for the State as a whole, the rates of growth and declining enrollment differ significantly from one region to another, and thus teacher shortages as a result of expanded TK could be a significant problem in some districts.

The Governor's 2021-22 budget proposes \$50 million in one-time funding to support the preparation of TK teachers and provide both TK and kindergarten teachers with training in providing instruction in inclusive classrooms, support for DLLs, social-emotional learning, trauma-informed practices, restorative practices, and mitigating implicit bias.

Expansion of TK programs may impact facility needs for some LEAs. Unless an LEA is faced with declining enrollment and has unused classrooms, an expansion of TK could lead to a need for additional facilities. There are also specific facility requirements to meet the needs of TK and kindergarten pupils, including restroom access, wet and dry areas, storage, and play yards. Thus, existing elementary classrooms may need modifications to serve as a TK classroom. CSBA expresses a concern that districts do not currently have access to state matching funds to retrofit or build new classrooms to support additional growth.

The Governor's 2021-22 Budget proposes \$200 million in one-time funding for school districts to construct and retrofit existing facilities to support TK and full-day kindergarten, which, if approved, could address the facility needs associated with the proposed TK expansion. Additional legislation under consideration by the Legislature this session would place a statewide school bond on the ballot in 2022, providing additional funding for school facility construction and modifications.

Declining enrollment in K-12. Demographic projections from the California Department of Finance (DOF) suggest that California's public K-12 school system is entering a long period of declining enrollment. By 2027-28, statewide enrollment is projected to fall nearly 7% (compared to 1.5% over the prior decade). Enrollment is projected to shrink in about half of all counties, and more significant declines are expected in more of the State's larger counties. Districts with declining enrollment face fiscal pressures, as state funding is tied to the number of students they serve (PPIC, 2020).

As district see declines in enrollment, their revenues decrease, but costs do not typically decrease at the same rate, due to fixed costs such as capital, maintenance, and debt service, as well as staffing costs for administrative and support personnel, as well as teaching staff. Current law includes an adjustment for declining enrollment which shields a district from a funding reduction for one year after a decline in enrollment.

The author contends that expanding TK will provide relief to K-12 schools experiencing declining enrollment by increasing ADA with the newly eligible TK pupils. While this may be true for some districts, the overall impact on school funding as a result of the TK expansion is more complex, as discussed in the next section.

Impact of expanding TK on the Proposition 98 guarantee. Proposition 98, enacted by voters in 1988 as an amendment to the State Constitution, establishes a minimum annual funding level for K-14 schools (K-12 schools and community colleges). Generally Proposition 98 provides K-14 schools with a guaranteed funding source that grows each year with the economy and the number of students, and is funded through a combination of State General Fund and local property tax revenues.

For funding purposes, the State ordinarily credits school districts with their ADA in the current or prior year, whichever is higher. Charter schools and county offices of education (COEs) are funded according to their attendance in the current year only. In 2020-21, however, the state

will not collect ADA. Instead, school districts, charter schools, and COEs will be funded according to their 2019- 20 attendance levels unless they had previously budgeted for attendance growth.

The actual amount the State is required to spend on Proposition 98 each year depends on specific calculations or “tests.” Each test takes into account certain inputs, such as State General Fund revenue, per capita personal income, and K-12 student attendance. The State can choose to fund at the minimum guarantee or at any level above it. The Legislature can also suspend the guarantee with a 2/3 vote of each house, allowing the State to provide less funding than the formulas require that year. These tests include:

- Test 1: Share of General Fund. Provides approximately 40% of General Fund revenues. This is the current operative test;
- Test 2: Growth in Per Capita Personal Income. Increases prior year funding by growth in attendance and per capita personal income. Generally, this test is operative in years with normal to strong General Fund revenue growth; and
- Test 3: Growth in General Fund Revenues. Increases prior-year funding by growth in attendance and per capita General Fund revenues. Generally, this test is operative when General Fund revenues fall or grow slowly.

The Proposition 98 guarantee has grown in recent years from \$79.5 billion in 2019-20, to \$82.8 billion in 2020-21, and an estimated \$88 billion in 2021-22. Test 1 is currently operative for calculating the guarantee, and is projected by the Legislative Analyst Office (LAO) to be operative for the near future. Under Test 1, increases in enrollment or ADA do not result in an increase in the guarantee as it is tied to the overall State revenue, rather than growth in enrollment.

As the state is expected to continue to be subject to Test 1 through at least 2024-25, increasing the overall student enrollment through an expansion of TK will not increase the overall Proposition 98 funding guarantee. The added enrollment would not likely override Test 1.

Proposals to fund TK expansion. As noted above, absent a dedicated funding stream, the added cost of serving newly enrolled TK students would be funded out of existing Proposition 98 appropriation, potentially decreasing the availability of funds for other TK-12 programs and services. The LAO estimates that the cost of the proposed expansion of the TK program to serve all 4-year-olds would be \$3 billion at full implementation. Each month of added age eligibility would require approximately \$325 million based upon 29,600 TK spaces added each year that the eligibility expands.

The bill proposes to address the potential negative impact on Proposition 98 by requiring that each fiscal year that the TK pupil enrollment is required to increase, an appropriation be made from the General Fund in the annual Budget Act to Proposition 98 in addition to the funding appropriated to meet the annual guarantee. The amount of the appropriation would be equal to the estimated enrollment increase multiplied by the average kindergarten LCFE amount, adjusted for inflation. ***The Committee may wish to consider*** whether this proposal definitively provides for the ongoing financial impact of the expanded TK program, beyond the annual incremental costs.

The Governor's 2021-22 Budget proposes \$250 million in one-time funding for per-pupil grants to school districts serving additional TK students under an expanded TK model, such as the one proposed by this bill. The LAO notes that although school districts would likely incur some one-time costs through expanding TK, including facility modifications or construction as noted above, most of the costs associated with TK are ongoing, including teacher salaries. They question how districts would sustain programs after 2023-24 when the proposed one-time incentive grants expire and whether school districts would consider limited term funding to be an incentive to expand TK programs.

Recommended Committee amendments. Staff recommends that the bill be amended to clarify that the annual appropriation from the General Fund to Proposition 98 for the added costs of expanded TK enrollment be sufficient to account for the ongoing, as well as the incremental increases, in the cost of maintaining an expanded TK program; and that the calculation for the cost per pupil include the full kindergarten LCFF rate, as well as the proposed quality adjustment factor.

Arguments in support. According to Early Edge California, a sponsor of the bill, "AB 22 builds on the strength of the existing program to make needed quality improvements to benefit the students and teachers alike. Specifically, AB 22 would create a standard curriculum that bridges the gap between preschool and kindergarten by connecting the Preschool Learning Foundation standards to the kindergarten Common Core State Standards. Importantly, the bill would also lower teacher-student ratios, ensuring that teachers can meaningfully interact with each student. AB 22 also maintains parent choice, allowing parents to choose whether to enroll their 4-year-old in Head Start, CSPP, or TK based on what they believe is best for their child.

Finally, by serving 4-year-olds in the public school system, AB 22 will allow nearly \$1 billion in state preschool program funds that are currently spent on 4-year-olds to be used to improve access and quality of programs serving younger children. This will allow more low-income 3-year-olds, infants, and toddlers to receive two years of quality early learning to prepare them for kindergarten and beyond. A recent report by the American Institutes for Research shows that the need for care and education among this group is acute.

AB 22 will allow us to improve the school readiness of all children in California by providing TK to all 4-year-olds regardless of income, addressing the achievement gap before it's created. It will increase access to high-quality early care and education for younger children by leveraging existing state resources."

Related legislation. SB 50 (Limon) of this Session expands the range of types of childcare and early learning services that a CSPP contracting agency may provide.

AB 123 (McCarty) of the 2019-20 Session would have established the Pre-K for All Act; expanded the eligibility for CSPP; increased the reimbursement rate for the CSPP and required a portion of the increase to be used to increase teacher pay; required CSPP lead teachers to hold a bachelor's degree by a specified date; and established a program to provide financial support to childcare workers pursuing a bachelor's degree. This bill was held in the Senate Appropriations Committee.

SB 443 (Rubio) of the 2019-20 Session would have deleted the provision that prohibits a child admitted to TK who has their 5th birthday after December 2 from generating ADA or being included in the enrollment or unduplicated pupil count until they turn 5-years-old, thereby expanding eligibility for TK to all 4-year-olds. This bill was held in the Senate Appropriations Committee.

AB 2500 (McCarty) of the 2019-20 Session would have deleted the provision that prohibits a child admitted to TK has their 5th birthday after December 2nd from generating ADA or being included in the enrollment or unduplicated pupil count until they turn 5-years-old, thereby expanding eligibility for TK to all 4-year-olds. This bill was held in the Assembly Education Committee.

SB 217 (Portantino) of the 2019-20 Session would have created the Early Intervention Grant Program to increase inclusive access to early education programs for children with exceptional needs and expand eligibility for TK to include children with exceptional needs turning 5-years-old at any time during the school year. This bill was amended to include content outside of the jurisdiction of education.

AB 1754 (McCarty) of the 2017-18 Session would have required the state to provide all eligible low-income 4-year-old children with access to early care and education programs. This bill was held in the Senate Appropriations Committee.

SB 837 (Dodd) of the 2017-18 Session would have expanded eligibility for TK to all 4-year olds, phased in over a two-year period beginning in the 2020-21 school year. This bill was held in the Senate Appropriations Committee.

AB 47 (McCarty) of the 2015-16 Session would have established the Preschool for All Act of 2015 and required, on or before June 30, 2018, all eligible children who are not enrolled in TK to have access to the CSPP the year before they enter kindergarten, if their parents wish to enroll them and contingent upon the appropriation in the annual Budget Act for this purpose. This bill was vetoed by Governor Brown, who stated:

“Last year's education omnibus trailer bill already codified the intent to make preschool and other full-day, full year early education and care opportunities available to all low-income children. The discussion on expanding state preschool - which takes into account rates paid to providers as well as access and availability for families - should be considered in the budget process, as it is every year. A bill that sets an arbitrary deadline, contingent on a sufficient appropriation, is unnecessary.”

REGISTERED SUPPORT / OPPOSITION:

Support

California Association of Student Councils
California School Employees Association (Sponsor)
Corona Norco Unified School District
Early Edge California (Sponsor)
Kidango (Sponsor)
Office of the Riverside County Superintendent of Schools

Riverside County Public K-12 School District Superintendents
Sacramento County Office of Education
San Diego Unified School District (Sponsor)
State Superintendent of Public Instruction Tony Thurmond
Techequity Collaborative
Unite-LA, Inc.
United Ways of California
Yolo County Office of Education
Numerous individuals

Opposition

None on file

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