

ASES FUNDING GAP CONTINUES TO GROW: *Rising Costs and Lagging Funding Puts Kids at Risk*

ASES – California’s Only State-Funded After School Program

For at least 3 hours a day, every school day, After School Education and Safety (ASES) programs across the state provide children in at-risk communities with access to additional learning hours, enrichment opportunities, and a safe setting that keep kids off of the street during the prime time for crime involving children. Along with these key supports, ASES programs provide participants with nutritional meals and offer essential child care for working families. For more than a decade, ASES programs only received \$7.50 per student per day allocation from the state of California to offer these essential services.

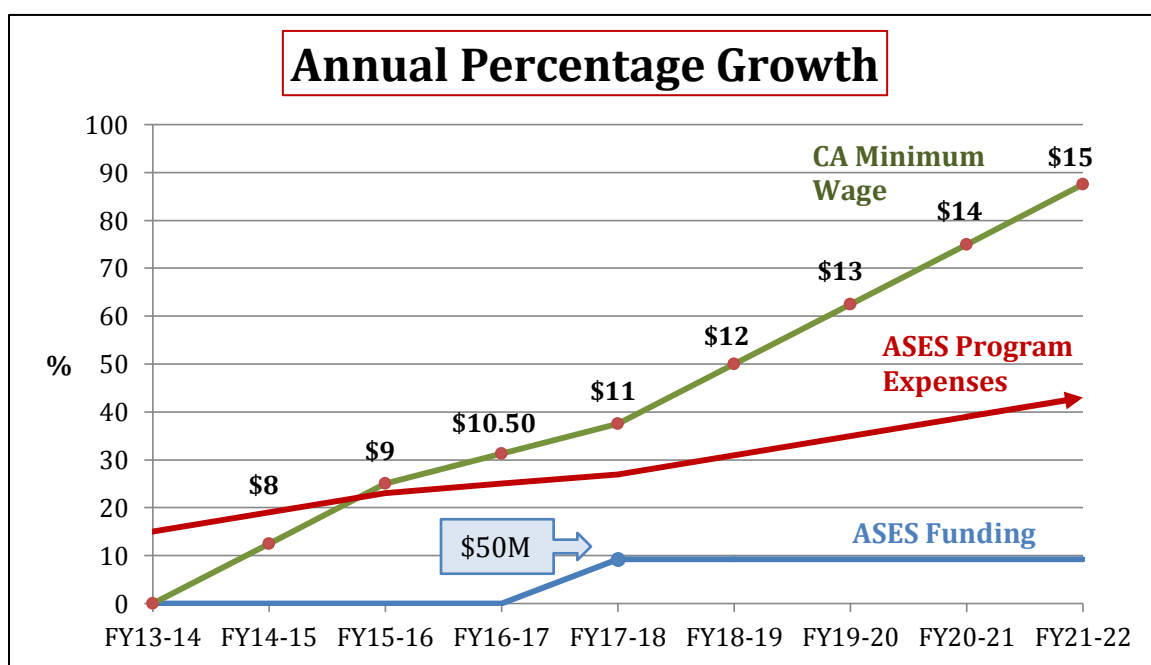
Funding Falls Short

Since the first full year of ASES implementation in 2007, the **state minimum wage has increased 38%** (from \$8 to \$11). While critical to our workforce, increases in the state minimum wage have been the primary driver of a **27% increase in ASES program costs** over this same time period. Though the state provided its first increase in funding since 2007 last year, with a 9% increase (\$50 million for a total of \$600 million), which helped increase the daily rate from \$7.50 to \$8.19, the average elementary school ASES program still faces nearly a \$39,000 deficit this school year.

FUNDING DOESN'T ADD UP	
Change since 2007	
CA minimum wage	38% ↑
Program costs	27% ↑
ASES funding	9% ↑
Program deficit*	293%↑

**See the budget breakdown on page 3*

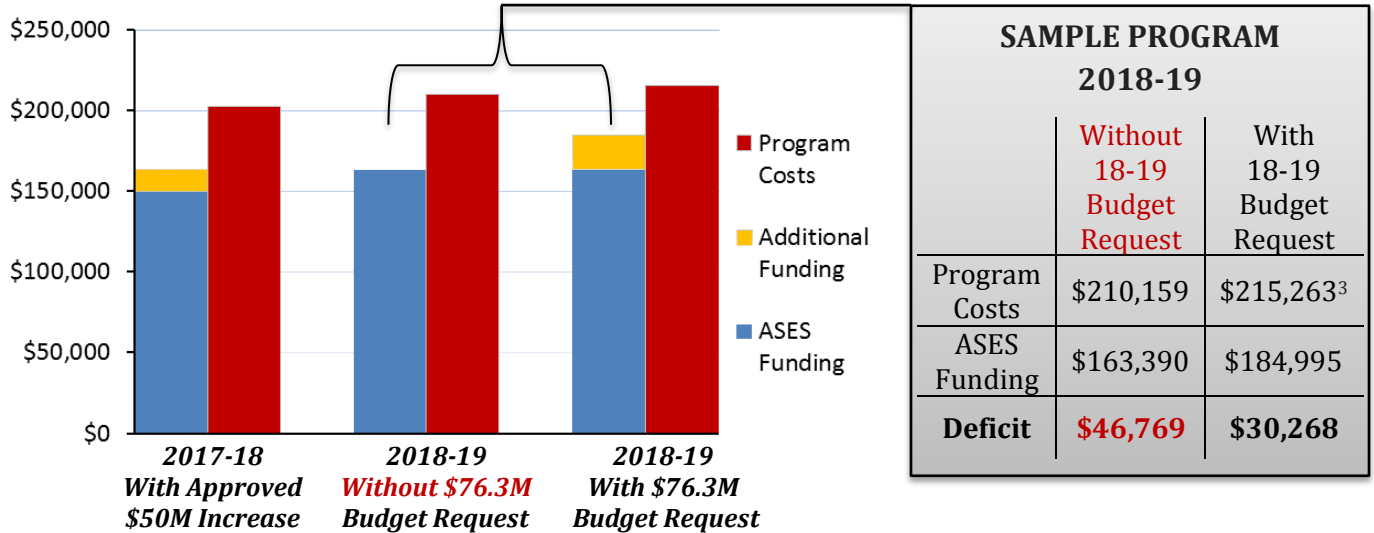
As the state minimum wage continues to rise, the funding gap will only continue to grow. Next year, the state minimum wage increase (\$12 on January 1, 2019) will be 50% higher than it was in 2007. In turn, average program costs could be 31% higher than in 2007. Though appreciated, financial relief of the \$50 million increase in 2017-18 is severely undercut by the annual rising state minimum wage. As an example, even with the increased rate, an average elementary school **ASES program could face a nearly \$47,000 deficit in 2019**. This deficit amounts to almost 40% of the average ASES grant amount.



For additional information, visit www.saveafterschool.com
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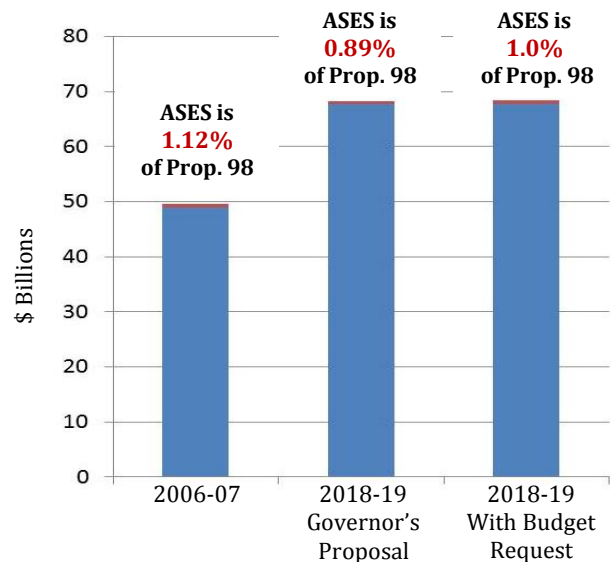
FY 2018-19 Request to Help Reduce Program Deficits

To prevent programs from closing their doors, providers and advocates are requesting an additional \$76.3 million in 2018-19, to increase the rate approximately 50 cents per student per day for every \$1 increase in the minimum wage¹ to a \$9.25 average daily rate.² This investment could **provide a typical elementary school ASES program an additional \$21,605** (including the 33% required local match). This 13% increase in funding would help bring the total increase in funding since 2007 to 23% and help ASES programs narrow their deficits significantly.



ASES Increase Represents a Small Fraction of Proposition 98

The Governor's 2018-19 Budget Proposal highlighted a new all-time high for Prop. 98 funding. His proposal also marks a 38% increase in Prop. 98 K-12 funding and a 40% increase in Prop. 98 per-pupil spending since 2006-07, while ASES received only a 9% increase over the same period of time.⁴ Our **\$76.3 million request represents only 0.11% of the \$ 67.7 billion** in total Prop. 98 K-12 funding proposed for 2018-19. Moreover, adding together this potential increase and existing ASES funding (including last year's \$50 million increase), ASES would account for just 1% of Prop. 98 funding for K-12 – which is still less than the 1.12% of total Prop. 98 that ASES represented in 2007.



¹ Calculated by dividing the increased deficit in a sample program's out-of-pocket costs since the state minimum wage increased \$3.00 (\$22,547) by 84 kids, 180 days a year, and by 3 \$1.00 increases to the state minimum wage.

² From \$8.19 to \$9 for the first half of FY 2018-19, and \$9.50 in the second half of FY 2018-19, when the state minimum wage increases to \$12.

³ The sample program will encounter a slight increase in program costs as ASES funding increases because programs will have to pay the grantee more for the administration fee (15% of grant).

⁴ In 2006-07, there was \$48.983 billion in Prop. 98 K-12 funding and \$8,279 in Prop. 98 per-pupil spending. [2018-19 Governor's Budget](#) proposes \$67.695 billion in Prop. 98 K-12 funding, and \$11,614 in Prop. 98 K-12 per-pupil spending.

SAMPLE BUDGET FOR ELEMENTARY SCHOOL AFTER SCHOOL PROGRAM RECEIVING ASES

Minimum average daily attendance = 84 children;
Supervision ratio = 1:20; Operating 180 days/year

2007-08 BUDGET	2017-18 BUDGET	DIFFERENCE	PERCENTAGE INCREASE ¹
CA min. wage = \$8 First full year of ASES	CA min. wage = 11.00 First year with \$50 million increase	+\$3	+ 38%

OUT-OF-POCKET COSTS

♦ SALARIES 1 Site Coordinator (40 hours/week, 52 weeks/year) ² 4 Line Staff (4 hours/day, 185 days/year) ³ 1 Program Supervisor (0.1 FTE = 4 hours/week, 52 weeks/year)	\$67,380	\$87,660	+\$20,280	+ 30%
♦ BENEFITS & TAXES 1 Site Coordinator (25% of salary) 4 Line Staff (15% of wages) 4 Line Staff Sick Leave (24 hours/year + 15% for taxes) 1 Program Supervisor (25% of salary)	\$13,885	\$19,549	+\$5,664	+ 41%
♦ ADMINISTRATION FEE Direct/Indirect Administration Paid to Grantee (15% of grant)	\$16,875	\$18,428	+\$1,553	+ 9%
♦ TRANSPORTATION	\$14,400	\$19,800	+\$5,400	+ 38%
♦ SUPPLIES, CURRICULUM, EVENTS (\$1/kid/day)	\$15,120	\$15,120	\$0	0%
SUBTOTAL	\$127,660	\$160,557	+\$32,897	+ 26%
ASES GRANT	\$112,500	\$122,850	+\$10,350	+ 9%
CHANGE/DEFICIT	\$15,160	\$37,707	+\$22,547	+ 149%

IN-KIND COSTS, OFTEN COVERED BY REQUIRED MATCH⁴

Facilities ⁵ Required Snack Custodial Certificated Site Administrator (0.025 FTE = 1 hour/week, 52 weeks/year) Additional administrative costs	\$32,220	\$41,635	+\$9,415	+ 29%
REQUIRED LOCAL MATCH	\$37,500	\$40,541	+\$3,041	+ 8%
CHANGE/DEFICIT	+\$5,280	\$1,094	+\$6,374	+ 121%

TOTAL EXPENSES	\$159,880	\$202,192	+\$42,312	+ 27%
ASES FUNDING (ASES Grant + Required Local Match)	\$150,000	\$163,391	+\$13,391	+ 9%
CHANGE/DEFICIT	\$9,880	\$38,801	+\$28,921	+ 293%

- Percentages rounded to the nearest whole number.
- Exempt pay must be at least double state minimum wage [[LAB §515\(a\)](#)].
- To ensure qualified staff for children, programs pay at least \$2 above minimum wage and provide at least 5 days of professional development.
- At minimum, ASES requires a 33.33% match from the grantee, which is most often in-kind operational expenses [[EDC §8483.7\(a\)\(5\)](#)].
- Facilities and space may not fulfill more than 25% of grantee match [[EDC §8483.7\(a\)\(7\)](#)].