

Introduced by Senator Liu

February 7, 2013

An act to amend ~~Sections 8202, 8214, 8220.5, and 8352 of the Education Code, relating to child care. Section 8385 of, to amend the heading of Chapter 2 (commencing with Section 8200) of Part 6 of Division 1 of Title 1 of, to amend and renumber Sections 8210, 8212, 8212.3, 8213, 8214, 8215, 8216, 8238, 8238.4, 8264.5, 8265, 8265.1, 8265.5, 8265.7, 8266, 8266.1, 8266.5, 8268, 8271, 8275, 8276.5, 8277, 8277.1, 8277.2, 8277.3, 8277.4, 8277.5, 8277.6, 8277.65, 8277.66, 8277.7, 8277.8, 8278.3, 8279.1, 8279.4, 8279.5, 8279.6, 8279.7, 8320, 8321, 8322, 8324, 8326, 8327, 8329, 8330, 8331, 8335, 8335.1, 8335.2, 8335.3, 8335.4, 8335.5, 8335.6, 8335.7, 8340, 8341, 8341.5, 8342, 8343, 8344, 8345, 8346, 8351, 8352, 8353, 8354, 8355, 8356, 8356.1, 8358.5, 8359, 8359.1, 8362, 8363, 8363.5, 8368, 8369, 8402, 8403, 8404, 8405, 8406, 8406.6, 8406.7, 8406.9, 8407, 8408, 8409, 8441, 8442, 8444, 8445, 8447, 8447.5, 8450, 8493, 8494, 8495, 8495.1, 8496, 8498, 8499.3, 8499.5, and 8499.7 of, to amend and renumber the heading of Article 16.5 (commencing with Section 8385) of Chapter 2 of Part 6 of Division 1 of Title 1 of, to amend, renumber, and repeal Section 8350.5 of, to add Sections 8292 and 8293 to, to add the heading of Article 8 (commencing with Section 8296) to, to add the heading of Article 9 (commencing with Section 8300) to, to add the heading of Article 10 (commencing with Section 8305) to, to add the heading of Article 14 (commencing with Section 8365) to, to add the heading of Article 18 (commencing with Section 8407) to, to add the heading of Article 25 (commencing with Section 8490) to, and to add the heading of Article 26 (commencing with Section 8492) to, Chapter 2 of Part 6 of Division 1 of Title 1 of, to add Article 2 (commencing with Section~~

8210) to, to add Article 4 (commencing with Section 8240) to, to add Article 4.5 (commencing with Section 8252) to, to add Article 5 (commencing with Section 8260) to, to add Article 6 (commencing with Section 8270) to, to add Article 11 (commencing with Section 8310) to, to add Article 12 (commencing with Section 8325) to, to add Article 13 (commencing with Section 8350) to, to add Article 14.5 (commencing with Section 8370) to, to add Article 14.7 (commencing with Section 8377) to, and to add Article 15 (commencing with Section 8380) to, Chapter 2 of Part 6 of Division 1 of Title 1 of, to repeal Sections 8350 and 8499 of, to repeal the heading of Article 2 (commencing with Section 8210) of, to repeal the heading of Article 6 (commencing with Section 8230) of, to repeal the heading of Article 7 (commencing with Section 8235) of, to repeal the heading of Article 12 (commencing with Section 8275) of, to repeal the heading of Article 15 (commencing with Section 8320) of, to repeal the heading of Article 15.2 (commencing with Section 8335) of, to repeal the heading of Article 15.3 (commencing with Section 8340) of, to repeal the heading of Article 15.5 (commencing with Section 8350) of, to repeal the heading of Article 18 (commencing 8400) of, to repeal the heading of Article 20 (commencing with Section 8440) of, to repeal the heading of Article 21 (commencing with Section 8448) of, to repeal the heading of Article 23 (commencing with Section 8485) of, and to repeal the heading of Article 24 (commencing with Section 8493) of, Chapter 2 of Part 6 of Division 1 of Title 1 of, to repeal the heading of Article 1 (commencing with Section 8499) of, and to repeal the heading of Article 2 (commencing with Section 8499.3) of, Chapter 2.3 of, and to repeal the heading of Chapter 2.3 (commencing with Section 8499) of, Part 6 of Division 1 of Title 1 of, to repeal Article 8 (commencing with Section 8240) of, to repeal Article 8.5 (commencing with Section 8245) of, to repeal Article 9 (commencing with Section 8250) of, to repeal Article 10 (commencing with Section 8255) of, and to repeal Article 14 (commencing with Section 8286) of, Chapter 2 of Part 6 of Division 1 of Title 1 of, to repeal and add Article 1 (commencing with Section 8200) of, and to repeal and add Article 3 (commencing with Section 8220) to, Chapter 2 of Part 6 of Division 1 of Title 1 of, the Education Code, relating to early learning and educational support services.

LEGISLATIVE COUNSEL'S DIGEST

SB 192, as amended, Liu. ~~Child care: early~~ *Early learning and school educational support resources: services.*

The Child Care and Development Services Act, administered by the Superintendent of Public Instruction, requires the Superintendent to administer child care and development programs that offer a full range of services for eligible children from infancy to 13 years of age and their parents, including a full range of supervision, health, and support services through full- and part-time programs.

This bill would reorganize and recast those provisions as the Early Learning and Educational Support Act, and would establish as its purpose providing a comprehensive early learning and educational support system that promotes access to safe, high-quality early learning and educational support programs, as specified. The bill would require the Superintendent to administer the early learning and educational support program through direct classroom or alternative payment services, and would require the Superintendent to develop requirements for the implementation of high-quality early learning and educational support programs based on certain indicia of quality, including, but not limited to, effective educators that foster school readiness and possess the appropriate and required educational qualifications and experience, including any required credentials or permits, as required by the Commission on Teacher Credentialing, and who meet applicable licensing standards. The bill, when expansion funding is made available for direct classroom service programs, would require priority for funding to be given to certain elementary schools ranked in deciles 1 to 3, inclusive, on the Academic Performance Index. The bill would delete obsolete provisions, make conforming changes, and make nonsubstantive changes.

~~The Child Care and Development Services Act (act), administered by the State Department of Education, provides that children from infancy to 13 years of age and their parents are eligible, with certain requirements, for child care and development services. The act declares the intent of the Legislature that all families have access to child care and development services through resource and referral programs, as specified.~~

This bill would additionally declare the intent of the Legislature that all children in California have access to high-quality early learning and education support programs so that they thrive in their early learning

settings and succeed throughout kindergarten and grades 1 to 12, inclusive, as specified.

The act provides that child care resource and referral services shall be provided to all persons requesting services and to all types of child care providers, regardless of income level or other eligibility criteria. The act provides for child care alternative payment programs, the purpose of which is to provide for parental choice in child care, and requires those programs to provide support services to families, including information to parents to assist them in making informed choices. Existing law also requires that child care be provided in 3 stages to recipients of benefits under the California Work Opportunity and Responsibility to Kids (CalWORKs) program. The first stage of child care begins upon the entry of a person into the CalWORKs program. The 2nd stage of child care begins when a county determines that the work or approved work activity of the recipient is stable or when a recipient is making the transition off of aid and child care. The 3rd stage of child care, which is administered by programs contracting with the department, begins when a funded child care space becomes available for the child or children of the eligible CalWORKs recipient.

This bill would require child care resource and referral programs to provide information about certain child care services available when a family is determined eligible for child care and development services or recertified as eligible for those services under the alternative payment program or stages 2 or 3 of the CalWORKs program. The bill would require child care resource and referral agencies to give priority to providing information about safe, caring, and age-appropriate early learning and school support environments for children as well as environments that support the parents' work activity. The bill would require the department to develop and certify a list of high-quality early learning and school support resources and to post the list on its Internet Web site. The bill would provide that in providing information about child care, child care resource and referral agencies may use resources from the department's certified list or local resources, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. The heading of Chapter 2 (commencing with*
2 *Section 8200) of Part 6 of Division 1 of Title 1 of the Education*
3 *Code is amended to read:*

4
5 CHAPTER 2. ~~CHILD CARE AND DEVELOPMENT SERVICES~~ EARLY
6 LEARNING AND EDUCATIONAL SUPPORT ACT

7
8 *SEC. 2. Article 1 (commencing with Section 8200) of Chapter*
9 *2 of Part 6 of Division 1 of Title 1 of the Education Code is*
10 *repealed.*

11 *SEC. 3. Article 1 (commencing with Section 8200) is added to*
12 *Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code,*
13 *to read:*

14
15 Article 1. General Provisions

16
17 8200. *This chapter shall be known and may be cited as the*
18 *Early Learning and Educational Support Act.*

19 8201. *The purpose of this chapter is as follows:*

20 (a) *To provide a comprehensive early learning and educational*
21 *support system that promotes access to safe, high-quality early*
22 *learning and educational support programs that will promote*
23 *comprehensive support for the development of the whole child that*
24 *includes all of the following:*

25 (1) *Developmentally appropriate curriculum with differentiated*
26 *instruction.*

27 (2) *Knowledgeable, caring, well-trained, and effective educators,*
28 *program staff, and providers.*

29 (3) *Promotion of healthy practices and activities.*

30 (4) *An educationally enriched environment that respects and*
31 *supports cultural, linguistic, and ability diversity.*

32 (b) *To encourage community-level coordination in support of*
33 *early learning and educational support services.*

34 (c) *Positive parenting through the understanding of healthy*
35 *development and the importance of high-quality early learning*
36 *opportunities for school readiness.*

37 (d) *The development of the ability to measure outcomes*
38 *assessing early learning and educational support programs.*

1 (e) *To establish a framework for the expansion of early learning*
2 *and educational support services.*

3 8202. (a) *To ensure that all children in California have access*
4 *to high-quality early learning and educational support programs*
5 *so that they thrive in their early learning settings and succeed*
6 *entering kindergarten through their school education and adult*
7 *life, it is the intent of the Legislature that:*

8 (1) *All families have access to safe, high-quality early learning*
9 *and educational support services that support the development of*
10 *the whole child, including healthy physical, cognitive, and social*
11 *and emotional growth and development of children, regardless of*
12 *ethnic status, cultural background, or special needs.*

13 (2) *Subsidized early learning and educational support services*
14 *are provided to persons meeting the eligibility criteria established*
15 *under this chapter to the extent funding is made available by the*
16 *Legislature and Congress.*

17 (3) *Community-level coordination between early learning and*
18 *educational support programs and other human services*
19 *organizations is encouraged.*

20 (4) *Parents and families are fully informed of their rights and*
21 *responsibilities to select safe and high-quality early learning and*
22 *educational support programs.*

23 (5) *Planning for expansion of early learning and educational*
24 *support programs be based on ongoing local needs assessments*
25 *and targeted to the catchment areas of the lowest performing*
26 *schools based on the most recent Academic Performance Index.*

27 (6) *Families achieve and maintain their personal, social,*
28 *economic, and emotional stability through an opportunity to attain*
29 *financial stability through employment and work support activities,*
30 *while maximizing the growth and development of their children,*
31 *and supporting parental participation in the educational*
32 *development and success of their children.*

33 (7) *Early learning and educational support staff be culturally*
34 *and linguistically diverse, and effectively foster and support school*
35 *readiness, healthy development, and improved child outcomes.*

36 (b) *Sustained support of professional development and*
37 *preparation shall focus on educator effectiveness with children*
38 *and families in their programs that include, but are not be limited*
39 *to, the following:*

40 (1) *Academic support.*

- 1 (2) *Higher education articulation.*
- 2 (3) *Career advancement.*
- 3 (4) *Evidence-based coaching and mentoring.*
- 4 (5) *Effective child-teacher interactions.*
- 5 (6) *Training on research-based tools and resources aligned to*
- 6 *the California foundations, frameworks, guidelines, and early*
- 7 *childhood educator competencies.*
- 8 (7) *Retention of high-quality educators.*
- 9 (8) *Adequate compensation and incentives for professional*
- 10 *growth.*
- 11 (9) *Strong leadership and management practices.*
- 12 (c) *The Superintendent shall coordinate with the First 5*
- 13 *California and the First 5 county commissions and other federal,*
- 14 *state, and local agencies to support improved alignment and*
- 15 *access, including, but not limited to, support services, quality*
- 16 *enhancements, and additional training and resources in early*
- 17 *learning and educational support programs and staff.*
- 18 (d) *The department shall create, administer, and support a*
- 19 *comprehensive early learning and educational support*
- 20 *infrastructure that promotes and fosters school readiness, healthy*
- 21 *development, and improved child outcomes.*
- 22 (e) *The Superintendent, in providing funding to early learning*
- 23 *and educational support agencies, shall promote a range of*
- 24 *services that allow parents the opportunity to choose the type of*
- 25 *care most suited to their needs. The program scope may include*
- 26 *the following:*
- 27 (1) *Programs located in centers, family day care homes, or in*
- 28 *the child's own home.*
- 29 (2) *Services provided part-day, full-day, and during nonstandard*
- 30 *hours, including weekend care, night and shift care, before and*
- 31 *after school care, and care during holidays and vacation.*
- 32 (3) *Early learning and educational support services provided*
- 33 *for infants and toddlers, preschool, and schoolage children.*
- 34 (f) *The Superintendent shall be responsible for the establishment*
- 35 *of a public hearing process or other public input process that*
- 36 *ensures the participation of those agencies directly affected by a*
- 37 *particular section or sections of this chapter.*
- 38 (g) *The department shall consolidate contracts for agencies*
- 39 *providing direct classroom services into a single contract in order*
- 40 *to ease administration, reduce reporting and auditing*

1 requirements, and ensure that special populations continue to
2 receive services and supports.

3 (h) The department shall administer the alternative payment
4 and CalWORKs Stage 2 and Stage 3 voucher programs in order
5 to maximize and support parental choice in caregiver selection.

6 (i) The department shall review existing resources and
7 opportunities for consumer education in order to expose parents
8 to a variety of strategies and learning opportunities to support
9 caregiver choices. These resources shall include all of the
10 following:

11 (1) The options that parents may select.

12 (2) The benefits of each option.

13 (3) The educational and socioemotional development of
14 expectations of children at various ages.

15 (j) The department shall annually review a variety of existing
16 requirements in order to consider alternatives that reduce
17 administrative burden and cost and streamline program
18 administration.

19 (k) As additional funding becomes available, the department
20 shall review options to implement a statewide quality rating and
21 improvement system to obtain data on the effectiveness and success
22 of California's early learning and educational support programs,
23 including program quality improvements and early educator and
24 child outcomes.

25 8203. (a) The Superintendent shall ensure that each contract
26 under this chapter provides early learning and educational support
27 services and, to facilitate the provision of those services, promotes
28 children's school readiness and subsequent school success through
29 the delivery of appropriate high-quality educational services to
30 the children served pursuant to the contract.

31 (b) The Superintendent shall adopt rules and regulations on
32 eligibility, enrollment, and priority of services needed to implement
33 this chapter.

34 8205. It is the intent of the Legislature that, in providing early
35 learning and educational support programs, the Superintendent
36 shall do the following:

37 (a) Develop an early learning and educational support system
38 that allows maximum parental choice by providing both direct
39 classroom and alternative payment services.

1 (b) Give priority to children of families that qualify under
2 applicable federal statutes or regulations as recipients of public
3 assistance and other low-income and disadvantaged families.
4 Federal reimbursement shall be claimed for any child receiving
5 services under this chapter for whom federal funds are available.

6 8206. The Superintendent, with funds appropriated for this
7 purpose, shall administer early learning and educational support
8 programs through direct classroom or alternative payment
9 services. These programs shall include, but are not limited to, the
10 following:

11 (a) Age and developmentally appropriate activities for children.

12 (b) Supervision.

13 (c) Parenting education and parent engagement.

14 (d) Developmental and health services.

15 (e) Nutrition.

16 (f) Family support services that include, but are not limited to,
17 assessment of child and family needs and referral to appropriate
18 human services organizations.

19 (g) Training, professional development, and career advancement
20 opportunities, documentation of which shall be provided to the
21 department.

22 8207. Programs operated pursuant to this chapter may be
23 designed to meet child-related needs identified by parents or
24 guardians that may include, but are not limited to, the following:

25 (a) Care for schoolage children during nonschool hours.

26 (b) Weekend care.

27 (c) Nightshift care.

28 (d) Worksite care.

29 (e) Temporary emergency child care.

30 (f) Child care for ill children.

31 8208. As used in this chapter:

32 (a) “Administrative responsibility” means awareness of the
33 financial and business circumstances of the program, and, in
34 appropriate cases, supervision of administrative and support
35 personnel, and knowledge and authority to direct or modify
36 administrative practices and procedures to ensure compliance
37 with administrative and financial standards imposed by law.
38 Additionally, “administrative responsibility” includes acting as
39 the representative for the early learning and educational support
40 program to the department. For programs operated through family

1 *child care homes, “administrative responsibility” includes ensuring*
2 *that quality services are provided in the family child care homes.*

3 (b) *“Alternative payments” includes payments that are made*
4 *by one agency to another agency or provider for the provision of*
5 *early learning and educational support services, and payments*
6 *that are made by an agency to a parent for the parent’s purchase*
7 *of early learning and educational support services.*

8 (c) *“Alternative payment program” means an agency that has*
9 *contracted with the department pursuant to Section 8362 to provide*
10 *alternative payments and to provide support services to parents*
11 *and providers.*

12 (d) *“Applicant or contracting agency” means a school district,*
13 *community college district, college or university, county*
14 *superintendent of schools, county, city, public agency, private*
15 *nontax-exempt agency, private tax-exempt agency, or other entity*
16 *that is authorized to establish, maintain, or operate services*
17 *pursuant to this chapter. Private agencies and parent cooperatives,*
18 *duly licensed by law, shall receive the same consideration as any*
19 *other authorized entity with no loss of parental decisionmaking*
20 *prerogatives as consistent with the provisions of this chapter.*

21 (e) *“Assigned reimbursement rate” is that rate established by*
22 *the contract with the agency and is derived by dividing the total*
23 *dollar amount of the contract by the minimum child day of average*
24 *daily enrollment level of service required.*

25 (f) *“Attendance” means the number of children present at a*
26 *child care and development facility where services are being*
27 *provided.*

28 (1) *For purposes of reimbursement to direct classroom*
29 *programs, attendance includes excused absences of children*
30 *because of illness, quarantine, illness or quarantine of their parent,*
31 *family emergency, or to spend time with a parent or other relative*
32 *as required by a court of law or that is clearly in the best interest*
33 *of the child.*

34 (2) *For purposes of reimbursement to providers through an*
35 *alternative payment services program, “attendance” includes*
36 *either of the following:*

37 (A) *The hours of service provided that are consistent with*
38 *certified hours of need.*

39 (B) *In the case of license-exempt providers that provide*
40 *part-time services, the actual days and hours of attendance.*

1 (g) “Block grant” means the block grant contained in the federal
2 Title VI of the Child Care and Development Fund, as established
3 by the federal Personal Responsibility and Work Opportunity
4 Reconciliation Act of 1996 (Public Law 104-193).

5 (h) “California state preschool services” means part-day and
6 full-day educational services designed to facilitate the transition
7 to kindergarten for low-income or otherwise disadvantaged three-
8 and four-year-old children.

9 (i) “Capital outlay” means the amount paid for the renovation
10 and repair of child care and development facilities to comply with
11 state and local health and safety standards, and the amount paid
12 for the state purchase of relocatable child care and development
13 facilities for lease to qualifying contracting agencies.

14 (j) “Caregiver” means a person who provides direct care,
15 supervision, and guidance to children in a child care and
16 development facility.

17 (k) “Child care” means all licensed early learning and
18 educational support services and all license-exempt care, including
19 but not limited to, private for-profit programs, nonprofit programs,
20 and publicly funded programs, for all children from infancy to 13
21 years of age, including children with exceptional needs and
22 children from all linguistic and cultural backgrounds.

23 (l) “Child care and development facility” means a residence
24 or building or part thereof in which early learning and educational
25 support services are provided.

26 (m) “Child care provider” means a person who provides child
27 care services or who represents persons who provide child care
28 services.

29 (n) “Children at risk of abuse, neglect, or exploitation” means
30 children who are so identified in a written referral from a legal,
31 medical, or social service agency, or emergency shelter.

32 (o) “Children with exceptional needs” means either of the
33 following:

34 (1) Infants and toddlers under three years of age who have been
35 determined to be eligible for early intervention services pursuant
36 to the California Early Intervention Services Act (Title 14
37 (commencing with Section 95000) of the Government Code) and
38 its implementing regulations. These children include an infant or
39 toddler with a developmental delay or established risk condition,
40 or who is at high risk of having a substantial developmental

1 disability, as defined in subdivision (a) of Section 95014 of the
2 Government Code. These children shall have active individualized
3 family service plans, shall be receiving early intervention services,
4 and shall be children who require the special attention of adults
5 in a child care setting.

6 (2) Children 3 to 21 years of age, inclusive, who have been
7 determined to be eligible for special education and related services
8 by an individualized education program team according to the
9 special education requirements contained in Part 30 (commencing
10 with Section 56000) of Division 4 of Title 2, and who meet
11 eligibility criteria described in Section 56026 and, Article 2.5
12 (commencing with Section 56333) of Chapter 4 of Part 30 of
13 Division 4 of Title 2, and Sections 3030 and 3031 of Title 5 of the
14 California Code of Regulations. These children shall have an
15 active individualized education program, shall be receiving early
16 intervention services or appropriate special education and related
17 services, and shall be children who require the special attention
18 of adults in a child care setting. These children include children
19 with intellectual disabilities, hearing impairments (including
20 deafness), speech or language impairments, visual impairments
21 (including blindness), serious emotional disturbance (also referred
22 to as emotional disturbance), orthopedic impairments, autism,
23 traumatic brain injury, other health impairments, or specific
24 learning disabilities, who need special education and related
25 services consistent with Section 1401(3)(A) of Title 20 of the United
26 States Code.

27 (p) “Closedown costs” means reimbursements for all approved
28 activities associated with the closing of operations at the end of
29 each growing season for migrant services only.

30 (q) “Community representative” means a person who represents
31 an agency or business that provides private funding for child care
32 services, or who advocates for child care services through
33 participation in civic or community-based organizations but is not
34 a child care provider and does not represent an agency that
35 contracts with the department to provide early learning and
36 educational support services.

37 (r) “Consumer” means a parent or person who receives, or
38 who has received within the past 36 months, child care services.

39 (s) “Cost” includes, but is not limited to, expenditures that are
40 related to the operation of early learning and educational support

1 *programs. “Cost” may include a reasonable amount for state and*
2 *local contributions to employee benefits, including approved*
3 *retirement programs, agency administration, and any other*
4 *reasonable program operational costs. “Cost” may also include*
5 *amounts for licensable facilities in the community served by the*
6 *program, including lease payments or depreciation, downpayments,*
7 *and payments of principal and interest on loans incurred to*
8 *acquire, rehabilitate, or construct licensable facilities, but these*
9 *costs shall not exceed fair market rents existing in the community*
10 *in which the facility is located. “Reasonable and necessary costs”*
11 *are costs that, in nature and amount, do not exceed what an*
12 *ordinary prudent person would incur in the conduct of a*
13 *competitive business.*

14 *(t) “Department” means the State Department of Education.*

15 *(u) “Developmental and health services” include, but are not*
16 *limited to, all of the following:*

17 *(1) Referral, whenever possible, to appropriate health care*
18 *providers able to provide continuity of medical care.*

19 *(2) Developmental and health screening and health treatment,*
20 *including a full range of immunization recorded on the appropriate*
21 *state immunization form to the extent provided by the Medi-Cal*
22 *Act (Chapter 7 (commencing with Section 14000) of Part 3 of*
23 *Division 9 of the Welfare and Institutions Code) and the Child*
24 *Health and Disability Prevention Program (Article 6 (commencing*
25 *with Section 124025) of Chapter 3 of Part 2 of Division 106 of the*
26 *Health and Safety Code), but only to the extent that ongoing care*
27 *cannot be obtained utilizing community resources.*

28 *(3) Health education and training for children, parents, staff,*
29 *and providers.*

30 *(4) Followup treatment through referral to appropriate health*
31 *care agencies or individual health care professionals.*

32 *(v) “Early learning and educational support programs” means*
33 *those programs that offer a full range of services designed to meet*
34 *a wide variety of needs of children, from infancy to 13 years of*
35 *age, and their families. Services provided by an applicant or*
36 *contracting agency can be for any part of the day that a parent is*
37 *working, in training or seeking employment, incapacitated, or in*
38 *need of respite. These services may include, but are not limited to,*
39 *direct classroom and alternative payment services.*

1 (w) “Elementary school,” as contained in former Section 425
2 of Title 20 of the United States Code (the National Defense
3 Education Act of 1958, Public Law 85-864, as amended), includes
4 early childhood education programs and all early learning and
5 educational support programs, for the purpose of the cancellation
6 provisions of loans to students in institutions of higher learning.

7 (x) “Family child care home education network” means an
8 entity organized under law that contracts with the department
9 pursuant to Section 8229 to make payments to licensed family child
10 care home providers and to provide educational and support
11 services to those providers and to children and families eligible
12 for state-subsidized early learning and educational support
13 services. A family child care home education network may also be
14 referred to as a family child care home system.

15 (y) “Four-year-old children” means children who will have
16 their fourth birthday on or before the date specified in the fiscal
17 year in which they are enrolled in a California state preschool
18 program, as follows:

19 (1) November 1 of the 2012–13 fiscal year.

20 (2) October 1 of the 2013–14 fiscal year.

21 (3) September 1 of the 2014–15 fiscal year and each fiscal year
22 thereafter.

23 (z) “Higher educational institutions” means the Regents of the
24 University of California, the Trustees of the California State
25 University, the Board of Governors of the California Community
26 Colleges, and the governing bodies of any accredited private
27 nonprofit institution of postsecondary education.

28 (aa) “Intergenerational staff” means persons of various
29 generations.

30 (ab) A “limited-English-speaking-proficient child” or
31 “non-English-speaking-proficient child” means a child who is
32 unable to benefit fully from an English-only early learning and
33 educational support program as a result of either of the following:

34 (1) Having used a language other than English when the child
35 first began to speak.

36 (2) Having a language other than English predominantly or
37 exclusively spoken at home.

38 (ac) “Local educational agency” means a school district, a
39 county office of education, a community college district, or a school
40 district on behalf of one or more schools within the school district.

- 1 (ad) “Local planning council” means a local child care and
2 development planning council as described in Section 8300.
- 3 (ae) “Migrant agricultural worker family” means a family, with
4 at least one parent that has earned at least 50 percent of his or
5 her income from employment in fishing, agriculture, or
6 agriculturally related work during the 12-month period
7 immediately preceding the date of application for early learning
8 and educational support services.
- 9 (af) “Parent” means a biological parent, stepparent, adoptive
10 parent, foster parent, caretaker relative, or any other adult living
11 with a child who has responsibility for the care and welfare of the
12 child.
- 13 (ag) “Program director” means a person who, pursuant to
14 Sections 8274 and 8275, is qualified to serve as a program
15 director.
- 16 (ah) “Programmatic responsibility” means overall supervision
17 of curriculum and instructional staff, including instructional aides,
18 and the knowledge and authority to direct or modify program
19 practices and procedures to ensure compliance to applicable
20 quality and health and safety standards imposed by law.
21 Additionally, “programmatic responsibility” includes acting as
22 the representative for the early learning and educational support
23 program to the department. For programs operated through family
24 child care homes, “programmatic responsibility” includes ensuring
25 quality services are provided in the family child care homes.
- 26 (ai) “Proprietary agency” means an organization or facility
27 providing early learning and educational support services, which
28 is operated for profit.
- 29 (aj) “Public agency representative” means a person who
30 represents a city, county, city and county, or local government
31 agency.
- 32 (ak) “Resource and referral programs” means an agency that
33 has contracted with the department, pursuant to 8288, to provide
34 information to parents, including referrals and coordination of
35 community resources for parents and public or private providers
36 of care. Services frequently include, but are not limited to, technical
37 assistance for providers, toy lending libraries, equipment lending
38 libraries, toy and equipment lending libraries, staff development
39 programs, health and nutrition education, and referrals to social
40 services.

1 (al) “Severely disabled children” are children with exceptional
2 needs from birth to 21 years of age, inclusive, who require intensive
3 instruction and training in programs serving pupils with the
4 following profound disabilities: autism, blindness, deafness, severe
5 orthopedic impairments, serious emotional disturbances, or severe
6 intellectual disabilities. “Severely disabled children” also include
7 those individuals who would have been eligible for enrollment in
8 a developmental center for handicapped pupils under Chapter 6
9 (commencing with Section 56800) of Part 30 of Division 4 of Title
10 2, as it read on January 1, 1980.

11 (am) “Short-term respite child care” means child care service
12 to assist families whose children have been identified through
13 written referral from a legal, medical, or social service agency,
14 or emergency shelter as being neglected, abused, exploited, or
15 homeless, or at risk of being neglected, abused, exploited, or
16 homeless. Child care is provided for less than 24 hours per day
17 in child care centers, treatment centers for abusive parents, family
18 child care homes, or in the child’s own home.

19 (an) “Site supervisor” means a person who, regardless of his
20 or her title, has operational program responsibility for an early
21 learning and educational support program at a single site. A site
22 supervisor shall hold a permit or credential issued by the
23 Commission on Teacher Credentialing that authorizes supervision
24 of a child care and development program operating in a single
25 site. The Superintendent may waive the requirements of this
26 subdivision if the Superintendent determines that the existence of
27 compelling need is appropriately documented.

28 (ao) “Standard reimbursement rate” means that rate established
29 by the Superintendent pursuant to Section 8371.

30 (ap) “Startup costs” means those expenses an agency incurs in
31 the process of opening a new or additional facility before the full
32 enrollment of children.

33 (aq) “Support services” means those services that, when
34 combined with early learning and educational support services,
35 help promote the healthy physical, mental, social, and emotional
36 growth of children. Support services include, but are not limited
37 to: protective services, parent training, provider and staff training,
38 transportation, parent and child counseling, child development
39 resource and referral services, and child placement counseling.

1 (ar) “Teacher” means a person with the appropriate permit
2 issued by the Commission on Teacher Credentialing who provides
3 program supervision and instruction that includes supervision of
4 a number of aides, volunteers, and groups of children.

5 (as) “Three-year-old child” means a child who will have his
6 or her third birthday on or before the date specified in the fiscal
7 year in which the child is enrolled in a California state preschool
8 program, as follows:

9 (1) November 1 of the 2012–13 fiscal year.

10 (2) October 1 of the 2013–14 fiscal year.

11 (3) September 1 of the 2014–15 fiscal year and each fiscal year
12 thereafter.

13 (at) “Underserved area” means a county or subcounty area,
14 including, but not limited to, school districts, census tracts, or ZIP
15 Code areas, where the ratio of publicly subsidized early learning
16 and educational support program services to the need for these
17 services is low, as determined by the Superintendent.

18 (au) “Workday” means the time that the parent requires
19 temporary care for a child for any of the following reasons:

20 (1) To undertake training in preparation for a job.

21 (2) To undertake or retain a job.

22 (3) To undertake other activities that are essential to
23 maintaining or improving the social and economic function of the
24 family, are beneficial to the community, or are required because
25 of health problems in the family.

26 SEC. 4. The heading of Article 2 (commencing with Section
27 8210) of Chapter 2 of Part 6 of Division 1 of Title 1 of the
28 Education Code is repealed.

29
30 ~~Article 2. Resource and Referral Programs~~

31
32 SEC. 5. Section 8210 of the Education Code is amended and
33 renumbered to read:

34 8210.

35 8285. Funds appropriated for the purpose of this chapter may
36 be used for child care resource and referral programs ~~which that~~
37 may be operated by public or private nonprofit entities.

38 SEC. 6. Article 2 (commencing with Section 8210) is added to
39 Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code,
40 to read:

1 Article 2. *Eligibility and Enrollment*

2
3 8210. *In order to be eligible for federal and state subsidized*
4 *early learning and educational support services, families shall*
5 *meet at least one requirement in each of the following areas:*

6 (a) *A family is (1) a current aid recipient, (2) income eligible,*
7 *(3) homeless, or (4) one whose children are recipients of protective*
8 *services, or whose children have been identified as being abused,*
9 *neglected, or exploited, or at risk of being abused, neglected, or*
10 *exploited.*

11 (b) *A family needs the child care services (1) because the child*
12 *is identified by a legal, medical, or social services agency, or*
13 *emergency shelter as (A) a recipient of protective services or (B)*
14 *being neglected, abused, or exploited, or at risk of neglect, abuse,*
15 *or exploitation, or (2) because the parents are (A) engaged in*
16 *vocational training leading directly to a recognized trade,*
17 *paraprofession, or profession, (B) employed or seeking*
18 *employment, (C) seeking permanent housing for family stability,*
19 *or (D) incapacitated.*

20 8211. (a) *For purposes of this chapter, “income eligible”*
21 *means that a family’s adjusted monthly income is at or below 70*
22 *percent of the state median income, adjusted for family size, and*
23 *adjusted annually.*

24 (b) *Notwithstanding any other law, for the 2012–13 fiscal year,*
25 *the income eligibility limits shall be 70 percent of the state median*
26 *income that was in use for the 2007–08 fiscal year, adjusted for*
27 *family size.*

28 (c) *The income of a recipient of federal supplemental security*
29 *income benefits pursuant to Title XVI of the federal Social Security*
30 *Act (42 U.S.C. Sec. 1381 et seq.) and state supplemental program*
31 *benefits pursuant to Title XVI of the federal Social Security Act*
32 *and Chapter 3 (commencing with Section 12000) of Part 3 of*
33 *Division 9 of the Welfare and Institutions Code shall not be*
34 *included as income for purposes of determining eligibility for child*
35 *care under this chapter.*

36 8212. *Except as provided in Article 4.5 (commencing with*
37 *Section 8252), priority for federal and state subsidized early*
38 *learning and educational support services is as follows:*

39 (a) (1) *First priority shall be given to neglected or abused*
40 *children who are recipients of child protective services, or children*

1 *who are at risk of being neglected or abused, upon written referral*
2 *from a legal, medical, or social services agency. If an agency is*
3 *unable to enroll a child in the first priority category, the agency*
4 *shall refer the family to local resource and referral services to*
5 *locate services for the child.*

6 *(2) A family who is receiving early learning and educational*
7 *support services on the basis of being a child at risk of abuse,*
8 *neglect, or exploitation, as defined in subdivision (n) of Section*
9 *8208, is eligible to receive services pursuant to paragraph (1) for*
10 *up to three months, unless the family becomes eligible pursuant*
11 *to paragraph (3).*

12 *(3) A family may receive child care services for up to 12 months*
13 *on the basis of a certification by the county child welfare agency*
14 *that child care services continue to be necessary or, if the child is*
15 *receiving child protective services during that period of time, and*
16 *the family requires child care and remains otherwise eligible. This*
17 *time limit does not apply if the family's child care referral is*
18 *recertified by the county child welfare agency.*

19 *(b) Second priority shall be given equally to eligible families,*
20 *regardless of the number of parents in the home, who are income*
21 *eligible. Within this priority, families with the lowest gross monthly*
22 *income in relation to family size, as determined by a schedule*
23 *adopted by the Superintendent, shall be admitted first. If two or*
24 *more families are in the same priority in relation to income, the*
25 *family that has a child with exceptional needs shall be admitted*
26 *first. If there is no family of the same priority with a child with*
27 *exceptional needs, the same priority family that has been on the*
28 *waiting list for the longest time shall be admitted first. For*
29 *purposes of determining order of admission, the grants of public*
30 *assistance recipients shall be counted as income.*

31 *(c) The Superintendent shall set criteria for and may grant*
32 *specific waivers of the priorities established in this subdivision*
33 *for agencies that wish to serve specific populations, including*
34 *children with exceptional needs or children of prisoners. These*
35 *new waivers shall not include proposals to avoid appropriate fee*
36 *schedules or admit ineligible families, but may include proposals*
37 *to accept members of special populations in other than strict*
38 *income order, as long as appropriate fees are paid.*

39 *8213. (a) Notwithstanding any other law, in order to promote*
40 *continuity of services, a family enrolled in a state or federally*

1 funded child care and development program whose services would
2 otherwise be terminated because the family no longer meets the
3 program income, eligibility, or need criteria may continue to
4 receive early learning and educational support services in another
5 state or federally funded child care and development program if
6 the contractor is able to transfer the family's enrollment to another
7 program for which the family is eligible before the date of
8 termination of services or to exchange the family's existing
9 enrollment with the enrollment of a family in another program,
10 provided that both families satisfy the eligibility requirements for
11 the program in which they are being enrolled. The transfer of
12 enrollment may be to another program within the same
13 administrative agency or to another agency that administers state
14 or federally funded child care and development programs.

15 (b) In order to promote continuity of services, the Superintendent
16 may extend the 60-working-day period specified in subdivision (a)
17 of Section 18086.5 of Title 5 of the California Code of Regulations
18 for an additional 60 working days if he or she determines that
19 opportunities for employment have diminished to the degree that
20 one or both parents cannot reasonably be expected to find
21 employment within 60 working days and granting the extension is
22 in the public interest. The scope of extensions granted pursuant
23 to this subdivision shall be limited to the necessary geographic
24 areas and affected persons, which shall be described in the
25 Superintendent's order granting the extension. It is the intent of
26 the Legislature that extensions granted pursuant to this subdivision
27 improve services in areas with high unemployment rates and areas
28 with disproportionately high numbers of seasonal agricultural
29 jobs.

30 8214. (a) A physical examination and evaluation, including
31 age-appropriate immunizations, shall be required before, or within
32 six weeks of, enrollment. A standard, rule, or regulation shall not
33 require medical examination or immunization for admission to an
34 early learning and educational support program of a child whose
35 parent or guardian files a letter with the governing board of the
36 program stating that the medical examination or immunization is
37 contrary to his or her religious beliefs, or provide for the exclusion
38 of a child from the program because of a parent or guardian having
39 filed the letter. However, if there is good cause to believe that a
40 child is suffering from a recognized contagious or infectious

1 *disease, the child shall be temporarily excluded from the program*
2 *until the governing board of the program is satisfied that the child*
3 *is not suffering from that contagious or infectious disease.*

4 *(b) Regulations formulated and promulgated pursuant to this*
5 *section shall include the recommendations of the State Department*
6 *of Health Care Services relative to health care screening and the*
7 *provision of health care services. The Superintendent shall seek*
8 *the advice and assistance of these health authorities in situations*
9 *where service under this chapter includes or requires care of*
10 *children who are ill or children with exceptional needs.*

11 *(c) The Superintendent shall establish guidelines for the*
12 *collection of employer-sponsored child care benefit payments from*
13 *a parent whose child receives subsidized services. These guidelines*
14 *shall provide for the collection of the full amount of the benefit*
15 *payment, but not to exceed the actual cost of services provided,*
16 *notwithstanding the applicable fee based on the fee schedule.*

17 *(d) The Superintendent shall establish guidelines according to*
18 *which the director or a duly authorized representative of the*
19 *program will certify children as eligible for state reimbursement*
20 *pursuant to this section.*

21 *(e) Public funds shall not be paid directly or indirectly to an*
22 *agency that does not pay at least the minimum wage to each of its*
23 *employees.*

24 *8215. (a) The preferred placement for children who are 11 or*
25 *12 years of age and who are otherwise eligible for subsidized early*
26 *learning and education support services shall be in a before or*
27 *after school program.*

28 *(b) Children who are 11 or 12 years of age shall be eligible for*
29 *subsidized services only for the portion of care needed that is not*
30 *available in a before or after school program provided pursuant*
31 *to Article 22.5 (commencing with Section 8482) or Article 22.6*
32 *(commencing with Section 8484.7). Contractors shall provide each*
33 *family of an eligible child who is 11 or 12 years of age with the*
34 *option of combining care provided in a before or after school*
35 *program with subsidized care in another setting, for those hours*
36 *within a day when the before or after school program does not*
37 *operate, in order to meet the needs of the family.*

38 *(c) Children who are 11 or 12 years of age, who are eligible*
39 *for and who are receiving subsidized services, and for whom a*

1 *before or after school program is not available, shall continue to*
2 *receive subsidized services.*

3 *(d) A before or after school program shall be considered not*
4 *available when a parent certifies in writing, on a form provided*
5 *by the department that is translated into the parent's primary*
6 *language pursuant to Sections 7295.4 and 7296.2 of the*
7 *Government Code, the reason or reasons why the program would*
8 *not meet the needs of the family. The reasons why a before or after*
9 *school program shall be considered not available shall include,*
10 *but not be limited to, any of the following:*

11 *(1) The program does not provide services when needed during*
12 *the year, such as during the summer, school breaks, or intersession.*

13 *(2) The program does not provide services when needed during*
14 *the day, such as in the early morning, evening, or weekend hours.*

15 *(3) The program is too geographically distant from the child's*
16 *school of attendance.*

17 *(4) The program is too geographically distant from the parents'*
18 *residence.*

19 *(5) Use of the program would create substantial transportation*
20 *obstacles for the family.*

21 *(6) Any other reason that makes the use of before or after school*
22 *care inappropriate for the child or burdensome on the family.*

23 *(e) If a child who is 11 or 12 years of age and who is enrolled*
24 *in a subsidized early learning and educational support program*
25 *becomes ineligible for subsidized care under subdivision (b) and*
26 *is disenrolled from the before or after school program, or if the*
27 *before or after school program no longer meets the needs of the*
28 *family, the child shall be given priority to return to the subsidized*
29 *early learning and educational support services upon the parent's*
30 *notification of the contractor of the need for care.*

31 *(f) This section does not apply to a child who is 11 or 12 years*
32 *of age with a disability, including a child with exceptional needs*
33 *who has an individualized education program as required by the*
34 *federal Individuals with Disabilities Education Act (20 U.S.C. Sec.*
35 *1400 et seq.), Section 504 of the federal Rehabilitation Act of 1973*
36 *(29 U.S.C. Sec. 794), or Part 30 (commencing with Section 56000)*
37 *of Division 4 of Title 2.*

38 *(g) The savings generated each contract year by the*
39 *implementation of the changes made to former Section 8263.4 by*
40 *the act amending former Section 8263.4 during the 2005–06*

1 *Regular Session shall remain with each alternative payment*
2 *program, early learning and educational support center, or other*
3 *contractor for the provision of services, except for care provided*
4 *by programs pursuant to Article 4.5 (commencing with Section*
5 *8252). Each contractor shall report annually to the department*
6 *the amount of savings resulting from this implementation, and the*
7 *department shall report annually to the Legislature the amount of*
8 *savings statewide resulting from that implementation.*

9 *8216. (a) The Superintendent shall establish a fee schedule*
10 *for families utilizing early learning and educational support*
11 *services pursuant to this chapter, including families receiving*
12 *services under subdivision (a) of Section 8212.*

13 *(1) Families receiving services under paragraph (2) of*
14 *subdivision (a) of Section 8212 may be exempt from these fees for*
15 *up to three months when the referral includes a fee waiver.*

16 *(2) Families receiving services under paragraph (3) of*
17 *subdivision (a) of Section 8212 may be exempt from these fees for*
18 *up to 12 months when the referral includes a fee waiver.*

19 *(3) The cumulative period of time of exemption from these fees*
20 *for families receiving services under subdivision (a) of Section*
21 *8212 shall not exceed 12 months.*

22 *(b) The income of a recipient of federal supplemental security*
23 *income benefits pursuant to Title XVI of the federal Social Security*
24 *Act (42 U.S.C. Sec. 1381 et seq.) and state supplemental program*
25 *benefits pursuant to Title XVI of the federal Social Security Act*
26 *(42 U.S.C. Sec. 1381 et seq.) and Chapter 3 (commencing with*
27 *Section 12000) of Part 3 of Division 9 of the Welfare and*
28 *Institutions Code shall not be included as income for purposes of*
29 *determining the amount of the family fee.*

30 *(c) Using the most recently approved family fee schedule*
31 *pursuant to Section 8332, families shall be assessed a flat fee based*
32 *on income and need for care.*

33 *(d) A family fee shall be assessed at initial enrollment and*
34 *reassessed at update of certification and recertification.*

35 *8217. (a) Agencies may require parents to provide diapers*
36 *and may charge a fee for field trips or diapers.*

37 *(b) Agencies charging a fee pursuant to subdivision (a) shall*
38 *do all of the following:*

39 *(1) Have a written policy adopted by the agency's governing*
40 *board that includes parents in the decisionmaking process.*

1 (2) Not charge additional fees in excess of twenty-five dollars
2 (\$25) for the contract year.

3 (3) Not deny field trip participation to a child due to the parents'
4 inability or refusal to pay.

5 (4) Not take adverse action against a parent for that inability
6 or refusal to pay.

7 (5) Inform parents, before enrolling the child, that a fee may
8 be charged and that no reimbursement will be available.

9 (c) Each contractor or provider shall establish a payment system
10 that prevents the identification of children based on whether or
11 not their parents have paid a field trip charge.

12 (d) The income received for field trips shall be reported to the
13 department specifically as restricted income.

14 SEC. 7. Section 8212 of the Education Code is amended and
15 renumbered to read:

16 8212.

17 8286. For purposes of this article, child care resource and
18 referral programs, established to serve a defined geographic area,
19 shall provide the following services:

20 (a) Identification of the full range of existing child care services
21 through information provided by all relevant public and private
22 agencies in the areas of service, and the development of a resource
23 file of those services which shall be maintained and updated at
24 least quarterly. These services shall include, but not be limited to,
25 family day care homes, public and private day care programs,
26 full-time and part-time programs, and infant, preschool, and
27 extended care programs.

28 The resource file shall include, but not be limited to, the
29 following information:

- 30 (1) Type of program.
- 31 (2) Hours of service.
- 32 (3) Ages of children served.
- 33 (4) Fees and eligibility for services.
- 34 (5) Significant program information.

35 (b) (1) Establishment of a referral process ~~which~~ that responds
36 to parental need for information and ~~which~~ that is provided with
37 full recognition of the confidentiality rights of parents. Resource
38 and referral programs shall make referrals to licensed child day
39 care facilities. Referrals shall be made to unlicensed care facilities
40 only if there is no requirement that the facility be licensed. The

1 referral process shall afford parents maximum access to all referral
2 information. This access shall include, but is not limited to,
3 telephone referrals to be made available for at least 30 hours per
4 week as part of a full week of operation. Every effort shall be made
5 to reach all parents within the defined geographic area, including,
6 but not limited to, any of the following:

- 7 (A) Toll-free telephone lines.
- 8 (B) Office space convenient to parents and providers.
- 9 (C) Referrals in languages—~~which~~ *that* are spoken in the
10 community.

11 Each child care resource and referral program shall publicize its
12 services through all available media sources, agencies, and other
13 appropriate methods.

14 (2) (A) Provision of information to any person who requests a
15 child care referral of his or her right to view the licensing
16 information of a licensed child day care facility required to be
17 maintained at the facility pursuant to Section 1596.859 of the
18 Health and Safety Code and to access any public files pertaining
19 to the facility that are maintained by the State Department of Social
20 Services Community Care Licensing Division.

21 (B) A written or oral advisement in substantially the following
22 form will comply with the requirements of subparagraph (A):

23 “State law requires licensed child day care facilities to make
24 accessible to the public a copy of any licensing report pertaining
25 to the facility that documents a facility visit or a substantiated
26 complaint investigation. In addition, a more complete file regarding
27 a child care licensee may be available at an office of the State
28 Department of Social Services Community Care Licensing
29 Division. You have the right to access any public information in
30 these files.”

31 (c) Maintenance of ongoing documentation of requests for
32 service tabulated through the internal referral process. The
33 following documentation of requests for service shall be maintained
34 by all child care resource and referral programs:

- 35 (1) Number of calls and contacts to the child care information
36 and referral program or component.
- 37 (2) Ages of children served.
- 38 (3) Time category of child care request for each child.
- 39 (4) Special time category, such as nights, weekends, and swing
40 shift.

1 (5) Reason that the child care is needed.
 2 This information shall be maintained in a manner that is easily
 3 accessible for dissemination purposes.

4 (d) Provision of technical assistance to existing and potential
 5 providers of all types of child care services. This assistance shall
 6 include, but not be limited to:

7 (1) Information on all aspects of initiating new child care
 8 services including, but not limited to, licensing, zoning, program
 9 and budget development, and assistance in finding this information
 10 from other sources.

11 (2) Information and resources that help existing child care
 12 services providers to maximize their ability to serve the children
 13 and parents of their community.

14 (3) Dissemination of information on current public issues
 15 affecting the local and state delivery of child care services.

16 (4) Facilitation of communication between existing child care
 17 and child-related services providers in the community served.

18 Services prescribed by this section shall be provided in order to
 19 maximize parental choice in the selection of child care to facilitate
 20 the maintenance and development of child care services and
 21 resources.

22 (e) (1) A program operating pursuant to this article shall, within
 23 two business days of receiving notice, remove a licensed child day
 24 care facility with a revocation or a temporary suspension order, or
 25 that is on probation from the program’s referral list.

26 (2) A program operating pursuant to this article shall, within
 27 two business days of receiving notice, notify all entities, operating
 28 a program under Article-3 4 (commencing with Section-8220)
 29 8240) and Article-15.5 4.5 (commencing with Section-8350) 8252)
 30 in the program’s jurisdiction, of a licensed child day care facility
 31 with a revocation or a temporary suspension order, or that is on
 32 probation.

33 *SEC. 8. Section 8212.3 of the Education Code is amended and*
 34 *renumbered to read:*

35 ~~8212.3.~~

36 8287. (a) In addition to the services described in Section-8212
 37 8286, a child care resource and referral program, established to
 38 serve a defined geographic area, may provide short-term respite
 39 child care. “Short-term respite care,” for purposes of this article,
 40 means temporary child care services to do any of the following:

1 (1) Provide services to families identified and referred by child
2 protective agencies.

3 (2) Relieve the stress caused by child abuse, neglect, or
4 exploitation, or the risk of abuse, neglect, or exploitation.

5 (3) Assist parents who, because of serious illness or injury,
6 homelessness, or family crisis, including temporary absence from
7 the home because of illness or injury, would be unable without
8 assistance to provide the normal care and nurture expected of
9 parents.

10 (4) Provide temporary relief to parents from the care of children
11 with exceptional needs.

12 (b) Pursuant to the delivery of short-term respite child care
13 services, priority shall be given for the provision of services to
14 families identified and referred by child protective agencies, to
15 relieve the stress caused by child abuse, neglect, or exploitation,
16 or the risks thereof, as described in paragraphs (1) and (2) of
17 subdivision (a). Priority shall be given to assist parents and to
18 provide temporary relief to parents, as described in paragraphs (3)
19 and (4) of subdivision (a) to the extent that resources are available.

20 *SEC. 9. Section 8213 of the Education Code is amended and*
21 *renumbered to read:*

22 ~~8213.~~

23 8289. All child care resource and referral services shall be
24 provided in a manner ~~which~~ *that* is responsive to the diverse
25 cultural, linguistic, and economic needs of a defined geographic
26 area of service.

27 *SEC. 10. Section 8214 of the Education Code is amended and*
28 *renumbered to read:*

29 ~~8214.~~

30 8290. Child care resources and referral shall be provided to all
31 persons requesting services and to all types of child care providers,
32 regardless of income level or other eligibility criteria. In addition
33 to the services prescribed by this section, child care resource and
34 referral may provide a wide variety of parent and provider support
35 and educational services.

36 *SEC. 11. Section 8215 of the Education Code is amended and*
37 *renumbered to read:*

38 ~~8215.~~

39 8295. (a) There is hereby established a project known as the
40 California Child Care Initiative Project. It is the intent of the

1 Legislature to promote and foster the project in cooperation with
2 private corporations and local governments. The objective of the
3 project is to increase the availability of quality child care programs
4 in the state.

5 (b) For purposes of this section, the California Child Care
6 Initiative Project means a project to expand the role and functions
7 of selected resource and referral agencies in activities including
8 needs assessment, recruitment and screening of providers, technical
9 assistance, and staff development and training, in order to aid
10 communities in increasing their capability in the number of child
11 care spaces available and the quality of child care services offered.

12 (c) ~~The Superintendent of Public Instruction~~ shall allocate all
13 state funds appropriated for the California Child Care Initiative
14 Project for the purpose of making grants to those child care
15 resource and referral agencies that have been selected as pilot sites
16 for the project.

17 (d) The project shall ensure that each dollar of state funds
18 allocated pursuant to subdivision (c) is matched by two dollars
19 (\$2) from other sources, including private corporations, the federal
20 government, or local governments.

21 (e) The grants to the sites made available by the project shall
22 be comprised of a combination of state funds and other funds
23 pursuant to subdivision (d).

24 (f) ~~The Superintendent of Public Instruction~~ shall develop a ~~data~~
25 ~~base~~ *database* for the project.

26 *SEC. 12. Section 8216 of the Education Code is amended and*
27 *renumbered to read:*

28 ~~8216.~~

29 *8291.* When making referrals, every agency operating both a
30 direct service program and a resource and referral program shall
31 provide at least four referrals, at least one of which shall be a
32 provider over which the agency has no fiscal or operational control,
33 as well as information to a family on the family's ability to choose
34 a license exempt provider.

35 *SEC. 13. Article 3 (commencing with Section 8220) of Chapter*
36 *2 of Part 6 of Division 1 of Title 1 of the Education Code is*
37 *repealed.*

38 *SEC. 14. Article 3 (commencing with Section 8220) is added*
39 *to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education*
40 *Code, to read:*

Article 3. *Direct Classroom Services*

8220. *The Superintendent shall administer early learning and educational support programs through direct classroom services.*

(a) *The Superintendent shall streamline the delivery of early learning and educational support direct classroom services through the simplification of contracts that serve children from infancy to 13 years of age, including, but not limited to, services for:*

(1) *Infants and toddlers.*

(2) *Preschool age children.*

(3) *Schoolage children.*

(4) *Migrant children.*

(b) *Contractors providing direct classroom services pursuant to this article shall:*

(1) *Provide high-quality educational services pursuant to Article 1 (commencing with Section 8200).*

(2) *Adhere to the administrative requirements of this article.*

(c) *Contractors shall continue to serve the same populations specified in their 2013-14 contracts, unless they receive prior approval from the department.*

(1) *Contractors that provide services to migrant populations shall adhere to Sections 8225, 8226, 8227, and 8228.*

(2) *Contractors that provide services to California state preschool populations shall adhere to Sections 8221, 8222, 8223, and 8224.*

(d) *All programs operating direct classroom services pursuant to this article shall include plans or programs, or both, for the care of children when they are sick. These plans shall be age appropriate and parents shall be included in the planning and evaluation. The Superintendent shall disseminate information regarding the effective sick child care models to all early learning and educational support programs.*

(e) *Nothing in this section shall be construed to allow the practice of medicine without a license.*

8221. *Contractors serving migrant populations shall adhere to the requirements set forth in Sections 8225, 8226, 8227, and 8228. In addition, the Superintendent shall support and encourage the state-level coordination of all agencies that offer services to migrant populations and state-level coordination of existing health funds for migrants.*

1 8222. (a) For the purpose of Sections 8225, 8226, 8227, and
 2 8228, priority for enrollment shall be given to children of migrant
 3 agricultural worker families, as defined in subdivision (ae) of
 4 Section 8208, in the following priority order:
 5 (1) The family moves from place to place.
 6 (2) The family has qualified under paragraph (1) within the
 7 past five years and is currently dependent for its income on
 8 agricultural employment, but is currently settled near agricultural
 9 areas.
 10 (3) The family resides in a rural agricultural area and is
 11 dependent upon seasonal agricultural work.
 12 (b) Funding remaining after migrant families have been
 13 prioritized for enrollment as specified in subdivision (a) may be
 14 used to enroll children from otherwise eligible families pursuant
 15 to the priorities set forth in Section 8212.
 16 8223. In addition to the quality indicators developed pursuant
 17 to Section 8260, the Superintendent shall develop quality indicators
 18 for contractors that serve migrant populations, including the
 19 following:
 20 (a) Social services.
 21 (1) Bilingual liaison between migrant parents and the center
 22 or family child care home, or both.
 23 (2) Liaison between the agency and the relevant community
 24 agencies and organizations, including health and social services.
 25 (3) Identification and documentation of family needs and
 26 followup referrals as appropriate.
 27 (b) Staffing.
 28 (1) Bilingual health personnel shall be available to each
 29 program site of an agency that serves a migrant population.
 30 (2) Professional and nonprofessional staff shall reflect the
 31 linguistic and cultural background of the children being served.
 32 (3) Whenever possible, migrants shall be recruited, trained,
 33 and hired in these programs. Documentation of training and career
 34 ladder opportunities and of recruitment and hiring efforts shall
 35 be provided to the department. Staff training shall include
 36 principles and practices of early learning and educational support
 37 programs for the age groups of children being served.
 38 (c) Developmental and health services in agencies that serve
 39 migrant populations shall include health and dental screening and

1 *followup treatment. Health records for all migrant children shall*
2 *follow the child.*

3 8224. (a) *Cost for migrant population services may exceed*
4 *the standard reimbursement rate established by the Superintendent.*
5 *In no case shall the reimbursement exceed the cost of the services.*
6 *State-funded programs may be eligible for Title I federal funds*
7 *(20 U.S.C. Sec. 6301 et seq.) to supplement state funding. These*
8 *funds shall not be contingent upon the provision of additional child*
9 *days or enrollment.*

10 (b) *The Superintendent shall annually reimburse agencies that*
11 *provide services for seasonal migrant populations pursuant to*
12 *Sections 8221, 8222, 8223, and this section for approvable startup*
13 *and closedown costs. Reimbursement for both startup and*
14 *closedown costs shall not exceed 15 percent of each agency's total*
15 *contract amount.*

16 (c) *Agencies that provide services for seasonal migrant*
17 *populations shall submit reimbursement claims for startup costs*
18 *with their first monthly reports, and reimbursement claims for*
19 *closedown costs with their final reports.*

20 8225. (a) *Contractors providing California state preschool*
21 *services for three-year-old children, as defined pursuant to*
22 *subdivision (as) of Section 8208, and four-year-old children, as*
23 *defined pursuant to subdivision (y) of Section 8208, shall adhere*
24 *to the requirements set forth in Sections 8221, 8222, 8223, and*
25 *8224.*

26 (b) *Preschool services for which federal reimbursement is not*
27 *available shall be funded as prescribed by the Legislature in the*
28 *Budget Act, and unless otherwise specified by the Legislature,*
29 *shall not use federal funds made available through Title XX of the*
30 *federal Social Security Act (42 U.S.C. Sec. 1397 et. seq.).*

31 (c) *Three- and four-year-old children are eligible for part-day*
32 *California state preschool services if the family meets at least one*
33 *of the criteria specified in subdivision (a) of Section 8210.*

34 (d) *Notwithstanding any other law, a contractor providing*
35 *part-day California state preschool services may enroll children*
36 *in families whose income is no more than 15 percent above the*
37 *income eligibility threshold, as described in Sections 8210 and*
38 *8211, after all eligible three- and four-year-old children have been*
39 *enrolled. No more than 10 percent of the enrolled three- or*

1 *four-year old children, may be from families above the income*
2 *eligibility threshold.*

3 *(e) Contractors providing part-day California state preschool*
4 *services shall operate for a minimum of (1) three hours per day,*
5 *excluding time for home-to-school transportation, and (2) a*
6 *minimum of 175 days per year, unless the contract specifies a*
7 *lower number of days of operation.*

8 8226. *(a) (1) Notwithstanding Section 8212, each contracting*
9 *agency providing services pursuant to Section 8225 shall give first*
10 *priority to three- or four-year-old neglected or abused children*
11 *who are recipients of child protective services, or who are at risk*
12 *of being neglected, abused, or exploited upon written referral from*
13 *a legal, medical, or social service agency. If an agency is unable*
14 *to enroll a child in this first priority category, the agency shall*
15 *refer the child's parent or guardian to local resource and referral*
16 *services so that services for the child can be located.*

17 *(2) Notwithstanding Section 8212, after children in the first*
18 *priority category set forth in paragraph (1) are enrolled, priority*
19 *shall be given to eligible four-year-old children before enrolling*
20 *eligible three-year-old children. Each agency shall certify to the*
21 *Superintendent that enrollment priority is being given to eligible*
22 *four-year-old children.*

23 *(b) For contractors that provide part-day California state*
24 *preschool services, at least one-half of the children enrolled at a*
25 *preschool site shall be four-year-old children. Any exception to*
26 *this requirement shall be approved by the Superintendent. The*
27 *Superintendent shall inform the Department of Finance of any*
28 *exceptions that have been granted and the reasons for granting*
29 *the exceptions.*

30 8227. *A contractor that provides part-day California state*
31 *preschool services has 120 calendar days before the first day of*
32 *the beginning of the new preschool year to certify eligibility and*
33 *enroll families into their program. Subsequent to enrollment, a*
34 *child shall be deemed eligible for a part-day California state*
35 *preschool services for the remainder of the program year.*

36 8228. *The Superintendent shall encourage applicants or*
37 *contracting agencies to offer full-day California state preschool*
38 *services through a combination of part-day preschool slots and*
39 *wraparound services. In order to facilitate a full-day of services,*
40 *all of the following shall apply:*

1 (a) Part-day preschool services provided pursuant to this section
2 shall operate between 175 and 180 days.

3 (b) Wraparound services provided pursuant to this section shall
4 operate a minimum of 246 days per year unless the contract
5 specifies a lower minimum days of operation. Wraparound services
6 may operate full day for the remainder of the year after the
7 completion of the part-day preschool program services.

8 (c) Part-day preschool services combined with wraparound
9 services shall be reimbursed at no more than the full-day standard
10 reimbursement rate with adjustment factors, pursuant to Section
11 8371 and as determined in the annual Budget Act.

12 (d) Three- and four-year-old children are eligible for
13 wraparound services to supplement the part-day California state
14 preschool services if the family meets eligibility criteria specified
15 in Section 8210.

16 (e) Fees shall be assessed and collected for families with
17 children in part-day preschool programs, or families receiving
18 wraparound child care services, or both, pursuant to Section 8216.

19 (f) For purposes of this section, “wraparound services” means
20 services provided for the remaining portion of the day or remainder
21 of the year following the completion of part-day preschool services
22 that are necessary to meet the needs of parents eligible pursuant
23 to Section 8210. These services shall be provided consistent with
24 the early learning and educational support programs provided
25 pursuant to this article.

26 8229. (a) The Superintendent, with funds appropriated for this
27 purpose, shall contract with entities organized under law to operate
28 family child care home education networks that support
29 educational objectives for children in licensed family child care
30 homes that serve families eligible for subsidized child care.

31 (b) Contractors funded to operate family child care home
32 education networks shall reimburse network providers in
33 accordance with requirements set forth in Section 8244.

34 (c) Family child care home education network programs shall
35 include, but are not limited to, all of the following:

36 (1) Age and developmentally appropriate activities for children.

37 (2) Care and supervision of children.

38 (3) Parenting education.

- 1 (4) *Identification of child and family social or health needs and*
2 *referral of the child or the family to the appropriate social or*
3 *health services.*
- 4 (5) *Nutrition.*
- 5 (6) *Training and support for the family child care home*
6 *education network’s family home providers and staff.*
- 7 (7) *Assessment of each family child care home provider to*
8 *ensure that services are of high-quality and are educationally and*
9 *developmentally appropriate.*
- 10 (8) *Developmental profiles for children enrolled in the program.*
- 11 (9) *Parent involvement.*
- 12 8230. *Each family child care home education network*
13 *contractor, in addition to the requirements set forth in subdivision*
14 *(c) of Section 8229, shall do all of the following:*
- 15 (a) *Recruit, enroll, and certify eligible families.*
- 16 (b) *Recruit, train, support, and reimburse licensed family home*
17 *providers.*
- 18 (c) *Collect family fees in accordance with contract requirements.*
- 19 (d) *Assess, according to standards set by the department, the*
20 *educational quality of the program offered in each family child*
21 *care home in the network.*
- 22 (e) *Ensure that a developmental profile is completed for each*
23 *child based upon observations of network staff, in consultation*
24 *with the provider.*
- 25 (f) *Monitor requirements, including quality standards, and*
26 *conduct periodic assessments of program quality in each family*
27 *child care home affiliated with the network.*
- 28 (g) *Ensure that basic health and nutrition requirements are met.*
- 29 (h) *Provide data and reporting in accordance with contract*
30 *requirements.*
- 31 8231. (a) *The Superintendent shall ensure that eligible children*
32 *with exceptional needs are given equal access to all early learning*
33 *and educational support programs. Available federal and state*
34 *funds for children with exceptional needs above the standard*
35 *reimbursement amount shall be used to assist agencies in*
36 *developing and supporting appropriate programs for these*
37 *children.*
- 38 (b) *To provide children with exceptional needs with additional*
39 *access to early learning and educational support programs, the*
40 *Superintendent shall establish alternate appropriate placements,*

1 *such as self-contained programs and innovative programs using*
2 *the least restrictive environment. These programs shall be started*
3 *as expansion funds become available and shall be expanded*
4 *throughout the implementation of the plan. The Superintendent*
5 *shall use existing program models and input from program*
6 *specialists to develop new program criteria and guidelines for*
7 *programs serving children with exceptional needs. These programs*
8 *may serve children with exceptional needs up to 21 years of age.*

9 (c) *Any child with exceptional needs served in early learning*
10 *and educational support programs shall be afforded all rights and*
11 *protections guaranteed in state and federal laws and regulations*
12 *for individuals with exceptional needs.*

13 (d) *Notwithstanding any other provision of this chapter, the*
14 *Superintendent may develop unique reimbursement rates for, and*
15 *make reimbursements to, early learning and educational support*
16 *programs that received state funding for the 1980–81 fiscal year*
17 *and serve severely disabled children, as defined in subdivision (a)*
18 *of Section 8208, when all of the following conditions exist:*

19 (1) *Eligibility for enrollment of a severely disabled child in the*
20 *program is the sole basis of the child’s need for service.*

21 (2) *Services are provided to severely disabled children from*
22 *birth to 21 years of age.*

23 (3) *No fees are charged to the parents of the severely disabled*
24 *children receiving the services.*

25 (e) *The Superintendent shall include providers in all personnel*
26 *development for persons providing services for children with*
27 *exceptional needs.*

28 8232. *The Superintendent may, with funds appropriated for*
29 *that purpose, enter into agreements with school districts or*
30 *community college districts or county superintendents of schools*
31 *for the establishment and maintenance of early learning and*
32 *educational support programs for infants, and the training of*
33 *students in their roles as parents, as part of the high school*
34 *program.*

35 8233. *The state board shall adopt rules and regulations for*
36 *the administration of the programs described in Section 8232.*

37 8234. *Infant early learning and educational support services*
38 *include, but are not limited to, the following:*

1 (a) *Supervision and group care, providing for the physical and*
2 *emotional needs of the infant in a manner that conveys concern*
3 *and engenders trust.*

4 (b) *Educational stimulation from the earliest development stages*
5 *onward.*

6 (c) *Developmental and health screening and treatment.*

7 8235. *Services available to parents, in which other students*
8 *may participate on an elective basis, shall include, but are not*
9 *limited to, the following:*

10 (a) *Providing supervised infant care, designed to facilitate*
11 *completion of the parents' high school program.*

12 (b) *The teaching of parenthood education by staff and trained*
13 *volunteers.*

14 (c) *The teaching of family planning.*

15 (d) *The development in student parents, and in other*
16 *participating students, of reasonable expectations regarding infant*
17 *behavior in order to minimize parental frustration and consequent*
18 *child abuse.*

19 8236. *In school districts maintaining more than one high*
20 *school, the governing board, after soliciting the opinions of student*
21 *parents and other interested persons, shall determine the location*
22 *of the infant center. Infant centers shall be located within high*
23 *school buildings or within that proximity to high school buildings*
24 *as would ensure convenient access by student parents and other*
25 *students.*

26 8237. *To the extent funds are available, federal reimbursement*
27 *shall be claimed for any child receiving services in the infant early*
28 *learning and educational support program.*

29 8238. *The department may accept funds from school districts*
30 *or county superintendents of schools as matching funds to maximize*
31 *the funds available for the program.*

32 8239. (a) *Infants whose parent or parents are high school*
33 *students may attend infant centers while their parents attend high*
34 *school.*

35 (b) *The Superintendent may enter into an agreement pursuant*
36 *to Section 8232 permitting infants whose parent or parents are*
37 *students in grades 7 and 8 to attend infant centers while their*
38 *parents attend school.*

1 *SEC. 15. The heading of Article 6 (commencing with Section*
2 *8230) of Chapter 2 of Part 6 of Division 1 of Title 1 of the*
3 *Education Code is repealed.*

4
5 ~~Article 6. Migrant Child Care and Development Programs~~

6
7 *SEC. 16. The heading of Article 7 (commencing with Section*
8 *8235) of Chapter 2 of Part 6 of Division 1 of Title 1 of the*
9 *Education Code is repealed.*

10
11 ~~Article 7. California State Preschool Programs~~

12
13 *SEC. 17. Section 8238 of the Education Code is amended and*
14 *renumbered to read:*

15 ~~8238.~~

16 8296. As a condition of receipt of funds pursuant to Section
17 8238.4 8297, a participating part-day preschool program shall
18 coordinate the provision of all of the following:

19 (a) Opportunities for parents and legal guardians to work with
20 their children on interactive literacy activities. For purposes of this
21 subdivision, “interactive literacy activities” means activities in
22 which parents or legal guardians actively participate in facilitating
23 the acquisition by their children of prereading skills through guided
24 activities such as shared reading, learning the alphabet, and basic
25 vocabulary development.

26 (b) Parenting education for parents and legal guardians of
27 children in participating classrooms to support the development
28 by their children of literacy skills. Parenting education shall
29 include, but not be limited to, instruction in all of the following:

30 (1) Providing support for the educational growth and success
31 of their children.

32 (2) Improving parent-school communications and parental
33 understanding of school structures and expectations.

34 (3) Becoming active partners with teachers in the education of
35 their children.

36 (c) Referrals, as necessary, to providers of instruction in adult
37 education and English as a second language in order to improve
38 the academic skills of parents and legal guardians of children in
39 participating classrooms.

1 (d) Staff development for teachers in participating classrooms
2 that includes, but is not limited to, all of the following:

3 (1) Development of a pedagogical knowledge, including, but
4 not limited to, improved instructional strategies.

5 (2) Knowledge and application of developmentally appropriate
6 assessments of the prereading skills of children in participating
7 classrooms.

8 (3) Information on working with families, including the use of
9 onsite coaching, for guided practice in interactive literacy activities.

10 *SEC. 18. Section 8238.4 of the Education Code is amended*
11 *and renumbered to read:*

12 ~~8238.4.~~

13 8297. (a) A family literacy supplemental grant shall be made
14 available and distributed to qualifying California state preschool
15 classrooms, as determined by the Superintendent, at a rate of two
16 thousand five hundred dollars (\$2,500) per class. The
17 Superintendent shall distribute the family literacy supplemental
18 grant funds according to the following priorities:

19 (1) First priority shall be assigned to California state preschool
20 programs that contract to receive this funding before July 1, 2012.
21 These programs shall receive this funding until their contract is
22 terminated or the California state preschool program no longer
23 provides family literacy services.

24 (2) Second priority shall be assigned to California state
25 preschool programs operating classrooms located in the attendance
26 area of elementary schools in deciles 1 to 3, inclusive, based on
27 the most recently published Academic Performance Index pursuant
28 to Section 52056. The Superintendent shall use a lottery process
29 in implementing this paragraph.

30 (b) A family literacy supplemental grant distributed pursuant
31 to this section shall be used for purposes specified in Section 8238.

32 (c) Implementation of this section is contingent upon funding
33 being provided for family literacy supplemental grants for
34 California state preschool programs in the annual Budget Act or
35 other statute.

36 *SEC. 19. Article 8 (commencing with Section 8240) of Chapter*
37 *2 of Part 6 of Division 1 of Title 1 of the Education Code is*
38 *repealed.*

1 *SEC. 20. Article 4 (commencing with Section 8240) is added*
2 *to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education*
3 *Code, to read:*

4
5 *Article 4. Alternative Payment Services*
6

7 8240. *The Superintendent shall contract with public or private*
8 *agencies to provide alternative payment services pursuant to this*
9 *article.*

10 8241. *Alternative payment programs shall serve an identifiable*
11 *geographic area approved by the department. The service area*
12 *may be delineated by jurisdictional city or county boundaries, by*
13 *natural geographic barriers, streets, roads, or Zip Codes.*

14 8242. (a) *Alternative payments may be made for services*
15 *provided in licensed centers and family care homes, for care*
16 *provided in the child's home, and for other types of care that*
17 *conform to applicable law.*

18 (b) *Care exempt from licensure is a valid parental choice of*
19 *care for all programs provided under this chapter, and no*
20 *provision of this chapter shall be construed to exclude or*
21 *discourage the exercise of that choice.*

22 8243. (a) *Payments made by programs contracted to operate*
23 *pursuant to this article shall be the lesser of the applicable regional*
24 *market rate ceiling, established pursuant to Section 8244, or the*
25 *provider's published rate.*

26 (b) *A program contracted to operate pursuant to this article*
27 *shall reimburse a licensed provider for care of a subsidized child*
28 *based on the rate charged by the provider to nonsubsidized*
29 *families, if any, for the same services, or the rates established by*
30 *the provider for prospective nonsubsidized families. A licensed*
31 *provider shall submit to the alternative payment program a copy*
32 *of the provider's rate sheet listing the rates charged, and the*
33 *provider's discount or scholarship policies, if any, along with a*
34 *statement signed by the provider confirming that the rates charged*
35 *for a subsidized child are equal to or less than the rates charged*
36 *for a nonsubsidized child.*

37 (c) *Contractors shall maintain a copy of the rate sheet and the*
38 *confirmation statement.*

39 (d) *Each licensed child care provider may update its published*
40 *rate once per year and shall provide the contractor and resource*

1 and referral agency with the updated information pursuant to
2 subdivisions (c) and Section 8292, to reflect any changes.

3 (e) A licensed provider shall post in a prominent location
4 adjacent to the provider's license at the child care facility the
5 provider's rates and discounts or scholarship policies, if any.

6 (f) An alternative payment program shall verify provider rates
7 no less frequently than once a year by randomly selecting 10
8 percent of licensed providers serving subsidized families. The
9 purpose of this verification process is to confirm that rates reported
10 to the alternative payment programs reasonably correspond to
11 those reported to the resource and referral agency and the rates
12 actually charged to nonsubsidized families for equivalent levels
13 of services. It is the intent of the Legislature that the privacy of
14 nonsubsidized families shall be protected in implementing this
15 subdivision.

16 (g) The department shall develop regulations for addressing
17 discrepancies in the provider rate levels identified through the
18 rate verification process in subdivision (f).

19 8244. (a) The cost of services provided under this article shall
20 be governed by regional market rates. Recipients of services
21 provided pursuant to this article shall be allowed to choose the
22 services of licensed providers or providers who are, by law, not
23 required to be licensed, and the cost of that care shall be
24 reimbursed by counties or agencies that contract with the
25 department if the cost is within the regional market rate. For
26 purposes of this section, "regional market rate" means care costing
27 no more than 1.5 market standard deviations above the mean cost
28 of care for that region. The regional market rate ceilings shall be
29 established at the 85th percentile of the 2005 regional market rate
30 survey for that region.

31 (b) Reimbursement to license-exempt providers shall not exceed
32 60 percent of the family child care home rate established pursuant
33 to subdivision (a), effective July 1, 2011.

34 (c) Reimbursement to providers shall not exceed the fee charged
35 to private clients for the same service.

36 (d) Reimbursement shall not be made for services when care is
37 provided by parents, legal guardians, or members of the assistance
38 unit.

1 (e) A provider located on an Indian reservation or rancheria
2 and exempted from state licensing requirements shall meet
3 applicable tribal standards.

4 (f) For purposes of this section, “reimbursement” means a
5 direct payment to the provider of services, including license-exempt
6 providers. If care is provided in the home of the recipient, payment
7 may be made to the parent as the employer, and the parent shall
8 be informed of his or her concomitant legal and financial reporting
9 requirements. To allow time for the development of the
10 administrative systems necessary to issue direct payments to
11 providers, for a period not to exceed six months from the effective
12 date of this article, a county or an alternative payment agency
13 contracting with the department may reimburse the cost of services
14 through a direct payment to a recipient of aid rather than to the
15 provider.

16 (g) Counties and alternative payment programs shall not be
17 bound by the rate limits described in subdivision (a) when there
18 are, in the region, no more than two providers of the type needed
19 by the recipient of services provided under this article.

20 (h) Notwithstanding any other law, reimbursements to providers
21 based upon a daily rate may only be authorized under either of
22 the following circumstances:

23 (1) A family has an unscheduled but documented need of six
24 hours or more per occurrence, such as the parent’s need to work
25 on a regularly scheduled day off, that exceeds the certified need
26 for care.

27 (2) A family has a documented need of six hours or more per
28 day that exceeds no more than 14 days per month. In no event
29 shall reimbursements to a provider based on the daily rate over
30 one month’s time exceed the provider’s equivalent full-time monthly
31 rate or applicable monthly ceiling.

32 (3) This subdivision shall not limit providers from being
33 reimbursed for services using a weekly or monthly rate, pursuant
34 to subdivision (b) of Section 8243.

35 8245. The reimbursement for programs providing alternative
36 payment services pursuant to this article shall include the cost of
37 care paid to providers plus the administrative and support services
38 costs of the program. The total cost for administration and support
39 services shall not exceed an amount equal to 17.5 percent of the

1 *total contract amount. The administrative costs shall not exceed*
2 *the costs allowable for administration under federal requirements.*

3 8246. (a) *Contractors providing alternative payment services*
4 *pursuant to this article shall provide information to parents*
5 *regarding their right to view the licensing information of a licensed*
6 *child day care facility required to be maintained at the facility*
7 *pursuant to Section 1596.859 of the Health and Safety Code and*
8 *to access any public files pertaining to the facility that are*
9 *maintained by the Community Care Licensing Division of the State*
10 *Department of Social Services.*

11 (b) *A written or oral advisement in substantially the following*
12 *form will comply with the requirements of subdivision (a):*

13
14 “*State law requires licensed child day care facilities to make*
15 *accessible to the public a copy of any licensing report pertaining*
16 *to the facility that documents a facility visit or a substantiated*
17 *complaint investigation. In addition, a more complete file regarding*
18 *a child care licensee may be available at an office of the*
19 *Community Care Licensing Division of the State Department of*
20 *Social Services. You have the right to access any public information*
21 *in these files.”*

22
23 (c) *Every program operating pursuant to this article shall, within*
24 *two days of receiving notice, remove from the program’s referral*
25 *list the name of any licensed child day care facility with a*
26 *revocation or a temporary suspension order or that is on probation.*

27 (d) *A program operating pursuant to this article shall, within*
28 *two business days of being notified of a revocation or a temporary*
29 *suspension order for a licensed child day care facility, do both of*
30 *the following:*

31 (1) *Terminate payment to the facility.*

32 (2) *Notify each parent and the facility in writing that payment*
33 *has been terminated and the reason for the termination.*

34 (e) *Programs providing alternative payment services pursuant*
35 *to this article shall, upon being notified that a licensed child day*
36 *care facility has been placed on probation, provide written notice*
37 *to each parent utilizing the facility that the facility has been placed*
38 *on probation and that the parent has the option of selecting a*
39 *different provider or remaining with the facility without risk of*
40 *subsidy payments to the provider being terminated. The Legislature*

1 *urges each agency operating pursuant to this section to provide*
2 *the written notice required by this subdivision in the primary*
3 *language of the parent, to the extent feasible.*

4 8247. (a) *The department and the State Department of Social*
5 *Services shall do both of the following:*

6 (1) *Design a standard process for complaints by parents about*
7 *the provision of care that is exempt from licensure.*

8 (2) *Design, in consultation with local planning councils, a single*
9 *application for all early learning and educational support*
10 *programs and all families.*

11 (b) (1) *County welfare departments and alternative payment*
12 *programs shall encourage all providers who are licensed or who*
13 *are exempt from licensure and who are providing care under*
14 *Section 8253.5, 8254.5, or 8255, to secure training and education*
15 *in basic child development.*

16 (2) *Provider job training provided to CalWORKs recipients*
17 *that is funded by either the department or the State Department*
18 *of Social Services shall include information on becoming a licensed*
19 *provider.*

20 (c) *The department shall increase consumer education and*
21 *consumer awareness activities so that parents will have the*
22 *information needed to seek high-quality services. High-quality*
23 *services shall include both licensed and license-exempt care.*

24 8248. (a) *Upon the approval of the department, funds*
25 *appropriated for purposes of this chapter may be used for*
26 *alternative payment programs to allow for maximum parental*
27 *choice. Various methods of reimbursement for parental costs for*
28 *care may be used. All payment arrangements shall conform to the*
29 *eligibility criteria and the parent fee schedule established pursuant*
30 *to Sections 8216 and 8371.*

31 (b) *To provide for maximum parental choice, alternative*
32 *payment programs may include the following:*

33 (1) *A subsidy that follows the family from one provider to*
34 *another within a given alternative payment program.*

35 (2) *Early learning and educational support services according*
36 *to parental choice, including use of family care homes, general*
37 *center based programs, and other state-funded programs to the*
38 *extent that those programs exist in the general service area and*
39 *are in conformity with the purposes and applicable laws for which*

1 *those programs were established, but excluding state preschool*
2 *programs.*

3 8249. *To offer maximum support for parents and providers,*
4 *alternative payment programs shall have access to resource and*
5 *referral services. Funding shall be adequate to purchase care at*
6 *the fee charged to the private client for the same service as well*
7 *as to provide locally designed support services for parents and*
8 *providers. Alternative payment programs shall, in collaboration*
9 *with the resource and referral agency in the county, provide the*
10 *following support services:*

11 (a) (1) *At the time the family is determined eligible for services*
12 *and at recertification, provide information for parents to assist*
13 *them in making informed choices about available types of care*
14 *that would both offer a safe, caring, and age-appropriate early*
15 *learning and educational support environment for children as well*
16 *as support the parents' work activities, including, but not limited*
17 *to, information about high-quality early learning and educational*
18 *support resources pursuant to subdivision (b) of Section 8290.*

19 (2) *Where available, provide information on quality rating and*
20 *improvement systems.*

21 (3) *The department shall make informational resources available*
22 *to both resource and referral and alternative payment programs*
23 *pursuant to subdivision (c) of Section 8290.*

24 (b) *Professional and technical assistance and information for*
25 *providers.*

26 (c) *Parenting information.*

27 8250. *Out of funds appropriated for alternative payment*
28 *programs, the department shall reallocate funds as necessary to*
29 *reimburse alternative payment programs, excluding programs*
30 *operating pursuant to Section 8252, 8253, or 8253.5, for actual*
31 *and allowable costs incurred for additional services. An alternative*
32 *payment program may apply for reimbursement of up to 3 percent*
33 *of the contract amount, or for a greater amount subject to the*
34 *discretion of the department based on the availability of funds.*
35 *The department shall approve or deny applications submitted*
36 *pursuant to this section, but shall not consider applications*
37 *received after September 30 of the current calendar year. The*
38 *department shall distribute reimbursement funds for each approved*
39 *application within 90 days of receipt of the application if it was*
40 *filed between May 1 and July 20, inclusive, of the current calendar*

1 year. Applications received after July 20 are not subject to the
2 90-day requirement for the distribution of funds. If requests for
3 reimbursement pursuant to this section exceed available funds,
4 the department shall assign priority for reimbursement according
5 to the order in which it receives applications. Funds received by
6 an alternative payment program pursuant to this section that are
7 not substantiated by the program's annual audit shall be returned
8 to the department.

9 SEC. 21. Article 8.5 (commencing with Section 8245) of
10 Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code
11 is repealed.

12 SEC. 22. Article 9 (commencing with Section 8250) of Chapter
13 2 of Part 6 of Division 1 of Title 1 of the Education Code is
14 repealed.

15 SEC. 23. Article 4.5 (commencing with Section 8252) is added
16 to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education
17 Code, to read:

18

19 Article 4.5. Alternative Payment Services: CalWORKs

20

21 8252. (a) It is the intent of the Legislature in enacting this
22 article to ensure that recipients of aid under Chapter 2
23 (commencing with Section 11200) of Part 3 of Division 9 of the
24 Welfare and Institutions Code, or any successor program, and
25 former recipients who have left aid for employment, are connected
26 as soon as possible to local child care resources, make stable child
27 care arrangements, and continue to receive subsidized child care
28 services after they no longer receive aid as long as they require
29 those services and meet the eligibility requirements set forth in
30 Sections 8210 and 8211.

31 (b) This article establishes three stages of child care services
32 through which a recipient of aid under Chapter 2 (commencing
33 with Section 11200) of Part 3 of Division 9 of the Welfare and
34 Institutions Code, or any successor program, will pass. Further,
35 as families' child care needs are met by county welfare departments
36 and later by other local child care and development contractors,
37 it is the intent of the Legislature that families experience no break
38 in their child care services due to a transition between the three
39 stages of child care services.

1 8252.5. *It is the intent of the Legislature to fully fund the third*
 2 *stage of child care for former CalWORKS recipients.*

3 *SEC. 24. Article 10 (commencing with Section 8255) of Chapter*
 4 *2 of Part 6 of Division 1 of Title 1 of the Education Code is*
 5 *repealed.*

6 *SEC. 25. Article 5 (commencing with Section 8260) is added*
 7 *to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education*
 8 *Code, to read:*

9

10 *Article 5. Infrastructure to Support the System*

11

12 8260. *The Superintendent shall develop requirements for the*
 13 *implementation of high-quality early learning and educational*
 14 *support programs. Indicators of quality shall include, but not be*
 15 *limited to:*

16 (a) *A physical environment that is safe and appropriate to the*
 17 *ages and developmental needs of the children, and that meets*
 18 *applicable licensing standards.*

19 (b) *Program activities and services that are age appropriate*
 20 *and meet the developmental needs of each child, and utilize the*
 21 *California foundations, frameworks, guidelines, and early*
 22 *childhood educator competencies.*

23 (c) *Program activities and services that meet the cultural and*
 24 *linguistic needs of children and families.*

25 (d) *Family and community engagement.*

26 (e) *Parent education.*

27 (f) *Efficient and effective local program administration.*

28 (g) *Effective educators that:*

29 (1) *Foster school readiness, healthy development, and improved*
 30 *child outcomes.*

31 (2) *Are culturally and linguistically diverse and reflect the*
 32 *makeup of children and families in the program.*

33 (3) *Possess the appropriate and required educational*
 34 *qualifications and experience, including any required credentials*
 35 *or permits, as required by the Commission on Teacher*
 36 *Credentialing and who meet applicable licensing standards .*

37 (4) *Meet children's instructional and developmental needs.*

38 (5) *Provide positive teacher-child interactions.*

39 (h) *Program activities and services meet the needs of children*
 40 *with exceptional needs, diverse abilities, and their families.*

1 (i) Support services for children, families, and early learning
2 educators.

3 (j) Provision for nutritional needs and physical activity of
4 children.

5 (k) Social services that include, but are not limited to, child
6 abuse prevention, identification of child and family needs, and
7 referral to appropriate agencies.

8 (l) Developmental and health services, as defined in Section
9 8208, that include referral of children to appropriate agencies for
10 services.

11 8261. The department shall maintain the California
12 foundations, frameworks, guidelines, and early childhood educator
13 competencies that identify developmental milestones, basic skills,
14 and methods for teaching these skills to support early learning
15 and subsequent school success. In future expenditure plans for
16 quality improvement activities, the department shall include
17 funding for periodically updating these resources consistent with
18 academic and performance standards and relevant research,
19 broadly distributing the guidelines, and providing education,
20 outreach, and training services to implement the foundations,
21 frameworks, and guidelines.

22 8262. (a) The Superintendent shall ensure that all contracts
23 for early learning and educational support programs operating
24 pursuant to _____ include a requirement that each public or private
25 provider maintain a developmental profile to appropriately identify
26 the emotional, social, physical, and cognitive growth of each child
27 served in order to promote the child's success in the public schools.
28 To the extent possible, the department shall provide, promote, and
29 support a developmental profile to all contracted providers. The
30 provider of any program operated pursuant to a contract under
31 Section 8326 shall be responsible for maintaining developmental
32 profiles upon entry through exit from an early learning and
33 educational support program.

34 (b) This section is not subject to Part 34 (commencing with
35 Section 62000) of Division 4 of Title 2.

36 8263. (a) The Legislature finds and declares that the state
37 makes a substantial, annual investment in preschool, infant and
38 toddler, and schoolage early learning and educational support
39 programs for eligible families. It is in the best interests of children
40 and their families, and the taxpayers of California, to have

1 information about the development and learning abilities of
2 children developed in these settings, and health and other
3 information transferred to, or otherwise available to, the pupil's
4 elementary school.

5 (b) When a child in a state-funded preschool or infant and
6 toddler program will be transferring to a local public school, the
7 preschool or infant and toddler program shall provide the parent
8 or guardian with information from the previous year deemed
9 beneficial to the pupil and the public school teacher, including,
10 but not limited to, development issues, social interaction abilities,
11 health background, and diagnostic assessments, if any. The
12 preschool or infant and toddler program may, with the permission
13 of the parent or guardian, transfer this information to the pupil's
14 elementary school.

15 (c) Any child who has participated in a state subsidized
16 preschool that maintains results-based standards, including the
17 desired results accountability system, may have the performance
18 information transferred to any subsequent or concurrent public
19 school setting. Any transferred information shall be in summary
20 form and only accomplished with the permission of the parent or
21 guardian.

22 8264. In recognition of the demonstrated relationship between
23 food and good nutrition and the capacity of children to develop
24 and learn, it is the policy of this state that no child shall be hungry
25 while in attendance in early learning and educational support
26 facilities as defined in Section 8208 and that child development
27 facilities have an obligation to provide for the nutritional needs
28 of children in attendance.

29 8265. The State Department of Health Care Services shall
30 annually provide a mechanism for the delivery of health screening
31 and followup services for children enrolled in early learning and
32 educational support programs for whom there are no appropriate
33 health services accessible by referral.

34 SEC. 26. Section 8264.5 of the Education Code is amended
35 and renumbered to read:

36 ~~8264.5.~~

37 8298. The Superintendent may waive or modify ~~child~~
38 ~~development~~ requirements in order to enable ~~child development~~
39 early learning and educational support programs to serve
40 combinations of eligible children in areas of low population. The

1 ~~child-development~~ *early learning and educational support*
2 programs for which the Superintendent may grant waivers shall
3 include, but need not be limited to, California state preschool
4 ~~full-day programs~~ *services*, ~~child-care~~ *services* provided by the
5 California School Age Families Education Program (Article 7.1
6 (commencing with Section 54740) of Chapter 9 of Part 29 of
7 Division 4 of Title 2), ~~infant-care and development~~ *and toddler*
8 ~~services~~, ~~migrant-child-care and development programs~~ *services*,
9 ~~and general child-care and development~~ *early learning and*
10 *developmental support* programs.

11 *SEC. 27. Section 8265 of the Education Code is amended and*
12 *renumbered to read:*

13 ~~8265.~~

14 *8371.* (a) The Superintendent shall implement a plan that
15 establishes reasonable standards and assigned reimbursement rates,
16 which vary with the length of the program year and the hours of
17 service.

18 (1) Parent fees shall be used to pay reasonable and necessary
19 costs for providing additional services.

20 (2) When establishing standards and assigned reimbursement
21 rates, the Superintendent shall confer with applicant agencies.

22 (3) The reimbursement system, including standards and rates,
23 shall be submitted to the Joint Legislative Budget Committee.

24 (4) The Superintendent may establish any regulations he or she
25 deems advisable concerning conditions of service and hours of
26 enrollment for children in the programs.

27 (b) The standard reimbursement rate shall be three thousand
28 five hundred twenty-three dollars (\$3,523) per unit of average
29 daily enrollment for a 250-day year, increased by the cost-of-living
30 adjustment granted by the Legislature beginning July 1, 1980.

31 (c) The plan shall require agencies having an assigned
32 reimbursement rate above the current year standard reimbursement
33 rate to reduce costs on an incremental basis to achieve the standard
34 reimbursement rate.

35 (d) The plan shall provide for adjusting reimbursement on a
36 case-by-case basis, in order to maintain service levels for agencies
37 currently at a rate less than the standard reimbursement rate.
38 Assigned reimbursement rates shall be increased only on the basis
39 of one or more of the following:

40 (1) Loss of program resources from other sources.

1 (2) Need of an agency to pay the same ~~child-care~~ *reimbursement*
2 rates as those prevailing in the local community.

3 (3) Increased costs directly attributable to new or different
4 regulations.

5 (4) Documented increased costs necessary to maintain the prior
6 year’s level of service and ensure the continuation of threatened
7 programs.

8 Child care agencies funded at the lowest rates shall be given first
9 priority for increases.

10 (e) The plan shall provide for expansion of ~~child-development~~
11 *early learning and educational support* programs at no more than
12 the standard reimbursement rate for that fiscal year.

13 (f) The Superintendent may reduce the percentage of reduction
14 for a public agency that satisfies any of the following:

- 15 (1) Serves more than 400 children.
- 16 (2) Has in effect a collective bargaining agreement.
- 17 (3) Has other extenuating circumstances that apply, as
18 determined by the Superintendent.

19 *SEC. 28. Section 8265.1 of the Education Code is amended*
20 *and renumbered to read:*

21 ~~8265.1.~~
22 8372. Rate increases authorized by paragraph (2) of subdivision
23 (d) of Section ~~8265~~ 8371 shall be in effect from July 1 of the
24 contract year for which the rate increase is requested. The ~~State~~
25 ~~Department of Education~~ *department* shall develop a rate increase
26 process, for alternative payment and other similar program types,
27 between October 1 and March 30. Decisions regarding rate
28 increases shall be made within 60 days by the ~~State Department~~
29 ~~of Education~~ *department*.

30 *SEC. 29. Section 8265.5 of the Education Code is amended*
31 *and renumbered to read:*

32 ~~8265.5.~~
33 8373. (a) In order to reflect the additional expense of serving
34 children who meet any of the criteria outlined in paragraphs (1)
35 to (7), inclusive, of subdivision (b) the provider agency’s reported
36 child days of enrollment for these children shall be multiplied by
37 the adjustment factors listed below.

38 (b) The adjustment factors shall apply to those programs for
39 which assigned reimbursement rates are at or below the standard
40 reimbursement rate. In addition, the adjustment factors shall apply

1 to those programs for which assigned reimbursement rates are
2 above the standard reimbursement rate, but the reimbursement
3 rate, as adjusted, shall not exceed the adjusted standard
4 reimbursement rate.

5 (1) For infants who are 0 to 18 months of age and are served in
6 a child day care center, the adjustment factor shall be 1.7.

7 (2) For toddlers who are 18 to 36 months of age and are served
8 in a child day care center, the adjustment factor shall be 1.4.

9 (3) For infants and toddlers who are 0 to 36 months of age and
10 are served in a family child care home, the adjustment factor shall
11 be 1.4.

12 (4) For children with exceptional needs who are 0 to 21 years
13 of age, the adjustment factor shall be 1.2.

14 (5) For severely disabled children who are 0 to 21 years of age,
15 the adjustment factor shall be 1.5.

16 (6) For a child at risk of neglect, abuse, or exploitation who are
17 0 to 14 years of age, the adjustment factor shall be 1.1.

18 (7) For limited-English-speaking and non-English-speaking
19 children who are 2 years of age through kindergarten age, the
20 adjustment factor shall be 1.1.

21 (c) Use of the adjustment factors shall not increase the provider
22 agency's total annual allocation.

23 (d) Days of enrollment for children having more than one of
24 the criteria outlined in paragraphs (1) to (7), inclusive, of
25 subdivision (b) shall not be reported under more than one of the
26 above categories.

27 (e) The difference between the reimbursement resulting from
28 the use of the adjustment factors outlined in paragraphs (1) to (7),
29 inclusive, of subdivision (b) and the reimbursement that would
30 otherwise be received by a provider in the absence of the
31 adjustment factors shall be used for special and appropriate services
32 for each child for whom an adjustment factor is claimed.

33 *SEC. 30. Section 8265.7 of the Education Code is amended*
34 *and renumbered to read:*

35 ~~8265.7.~~

36 ~~8374.~~ Notwithstanding Section ~~8265~~ 8371, programs above
37 the standard reimbursement rate may be considered on a
38 case-by-case basis for rate adjustments due to documented
39 increases in insurance costs.

1 SEC. 31. Section 8266 of the Education Code is amended and
2 renumbered to read:

3 ~~8266.~~

4 8375. (a) Notwithstanding the provisions of Section ~~8265~~
5 ~~8371~~, the assigned reimbursement rate of a center-based child care
6 agency (a) ~~contracting with the Department of Education,~~ (b)
7 ~~operating under licensing standards for child care and development~~
8 ~~facilities specified by Section 1500 et seq. of the Health and Safety~~
9 ~~Code and by Title 22 of the California Administrative Code, and~~
10 ~~(e) direct classroom services program operating pursuant to Article~~
11 ~~3 (commencing with Section 8220)~~ with less than a majority of
12 subsidized children enrolled in the facility, shall be equivalent to
13 the fee paid for the same service by families of nonsubsidized
14 children.

15 ¶

16 (b) It is not the intent of the Legislature to preclude an agency
17 with a contract with the department from adjusting the fees charged
18 to nonsubsidized children during the contract year. In no event
19 shall the assigned reimbursement rate exceed the standard
20 reimbursement rate established pursuant to Section ~~8265~~ 8371.

21 These

22 (c) These agencies shall provide documentation to the
23 department that subsidized children, as necessary and appropriate,
24 shall receive supportive services through county welfare
25 departments, resource and referral programs, or other existing
26 community resources, or all of them.

27 SEC. 32. Section 8266.1 of the Education Code is amended
28 and renumbered to read:

29 ~~8266.1.~~

30 ~~8376. Commencing with the 1995-96 fiscal year and each~~
31 ~~fiscal year thereafter, for the~~ For purposes of this chapter,
32 reimbursement rates shall be adjusted by the following
33 reimbursement factors for ~~child care and development~~ early
34 ~~learning and educational support~~ programs with a standard
35 reimbursement rate, but shall not apply to the Resource and
36 Referral Programs set forth in Article ~~2~~ 7 (commencing with
37 Section ~~8210~~) 8285), the Alternative Payment ~~Programs~~ Services
38 set forth in Article ~~3~~ 4 (commencing with Section ~~8220~~) 8240),
39 the part-day California state preschool programs set forth in Article
40 ~~7~~ 3 (commencing with Section ~~8235~~) 8240), the schoolage

1 community child care services programs set forth in Article 22
2 (commencing with Section 8460), or to the schoolage parent and
3 infant development programs:

4 (a) For ~~child care and development~~ *early learning and*
5 *educational support* providers serving children for less than four
6 hours per day, the reimbursement factor is 55 percent of the
7 standard reimbursement rate.

8 (b) For ~~child care and development~~ *early learning and*
9 *educational support* program providers serving children for not
10 less than four hours per day, and less than six and one-half hours
11 per day, the reimbursement factor is 75 percent of the standard
12 reimbursement rate. For providers operating under the At Risk
13 Child Care Program set forth in Article ~~15.5~~ 4.5 (commencing
14 with Section ~~8350~~ 8252) and serving children for not less than
15 four hours per day, and less than seven hours per day, the
16 reimbursement factor is 75 percent of the standard reimbursement
17 rate.

18 (c) For ~~child care and development~~ *early learning and*
19 *educational support* program providers serving children for not
20 less than six and one-half hours per day, and less than 10 and
21 one-half hours per day, the reimbursement factor is 100 percent
22 of the standard reimbursement rate. For providers operating under
23 the At Risk Child Care Program set forth in Article ~~15.5~~ 4.5
24 (commencing with Section ~~8350~~ 8252) and serving children for
25 not less than seven hours per day, and less than 10 hours per day,
26 the reimbursement factor is 100 percent of the standard
27 reimbursement rate.

28 (d) For ~~child care and development~~ *early learning and*
29 *educational support* program providers serving children for 10½
30 hours or more per day, the reimbursement factor is 118 percent of
31 the standard reimbursement rate.

32 (e) *Part-day California state preschool services shall be*
33 *reimbursed on a per capita basis, as determined by the*
34 *Superintendent, and contingent on funding being provided for the*
35 *part-day preschool services in the annual Budget Act.*

36 SEC. 33. *Section 8266.5 of the Education Code is amended*
37 *and renumbered to read:*

38 ~~8266.5.~~

39 8379. (a) Notwithstanding the provisions of Section ~~8265~~
40 8371, the payment made to a child care facility ~~(a)~~ (1) with

1 authorization for payments from an alternative payment *services*
 2 program ~~or a county welfare department operating pursuant to~~
 3 *Article 4 (commencing with Section 8240), (b) (2) operating under*
 4 licensing standards for child day care facilities specified by
 5 Sections 1500 et seq. of the Health and Safety Code and by Title
 6 22 of the California Administrative Code, and ~~(e) (3) with less~~
 7 than a majority of subsidized children enrolled in the facility, shall
 8 be the same as the fee paid for the same service by families of
 9 nonsubsidized children.

10 ~~Each~~

11 ~~(b) Each alternative payment system or county welfare~~
 12 ~~department services program shall provide documentation that~~
 13 subsidized children, as necessary and appropriate, shall receive
 14 supportive services through county welfare departments, resource
 15 and referral programs, other existing community resources, or all
 16 of them.

17 *SEC. 34. Section 8268 of the Education Code is amended and*
 18 *renumbered to read:*

19 ~~8268.~~

20 ~~8365. The Superintendent of Public Instruction and the State~~
 21 ~~Controller shall establish the necessary plans to advance child care~~
 22 ~~funds to contracting agencies.~~

23 *SEC. 35. Article 6 (commencing with Section 8270) is added*
 24 *to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education*
 25 *Code, to read:*

26

27 *Article 6. Early Educators and Administrative Support of*
 28 *Healthy Development*

29

30 *8270. The Legislature recognizes the importance of a culturally*
 31 *and linguistically diverse and effective early educator workforce*
 32 *in our early learning and educational support programs that*
 33 *support school readiness and improved child outcomes. Sustained*
 34 *support of the field's professional development and preparation*
 35 *shall focus on educator effectiveness with children and families*
 36 *in their programs and include, but not be limited to:*

37 *(a) Academic support.*

38 *(b) Higher education articulation.*

39 *(c) A career ladder with periodic updates.*

40 *(d) Evidence-based coaching and mentoring.*

- 1 (e) *Effective child-teacher interaction.*
2 (f) *Training on research-based tools and resources aligned to*
3 *California foundations, frameworks, guidelines, and early*
4 *childhood educator competencies.*
5 (g) *Retention of high-quality educators.*
6 (h) *Adequate compensation and incentives for professional*
7 *growth.*
8 (i) *Efficient program administration.*
9 8271. (a) *The Superintendent shall establish rules and*
10 *regulations for the staffing of all direct classroom early learning*
11 *and educational support programs operated pursuant to Article*
12 *3 (commencing with Section 8220).*
13 (b) *Priority shall be given by the department to the employment*
14 *of persons in early learning and educational support programs*
15 *with ethnic backgrounds that are similar to those of the child for*
16 *whom child development services are provided.*
17 (c) *For purposes of staffing early learning and educational*
18 *support programs, the role of a teacher in child supervision means*
19 *direct supervision of the children as well as supervision of aides*
20 *and groups of children.*
21 (d) *Family child care homes shall operate pursuant to adult to*
22 *child ratios prescribed in Chapter 7 (commencing with Section*
23 *86001) of Division 6 of Title 22 of the California Code of*
24 *Regulations.*
25 (e) *Approval by the Superintendent of any ongoing or new*
26 *programs seeking to operate under the ratios and standards*
27 *established by the Superintendent under this chapter shall be based*
28 *upon the following considerations:*
29 (1) *The type of facility in which care is being or is to be*
30 *provided.*
31 (2) *The ability of the Superintendent to implement a funding*
32 *source change.*
33 (3) *The proportion of nonsubsidized children enrolled or to be*
34 *enrolled by the agency.*
35 (4) *The most cost-effective ratios possible for the type of services*
36 *provided or to be provided by the agency.*
37 (f) *The Superintendent shall apply for waivers of federal*
38 *requirements as are necessary to carry out this section.*

1 8272. *All direct classroom early learning and educational*
2 *support programs shall maintain at least the following minimum*
3 *ratios:*

4 (a) *Infants, birth to 18 months old—1:3 adult-child ratio, 1:18*
5 *teacher-child ratio.*

6 (b) *Toddlers, 18 months up to their third birthday—1:4*
7 *adult-child ratio, 1:16 teacher-child ratio.*

8 (c) *Preschool, at least 30 months to kindergarten eligibility—1:8*
9 *adult-child ratio, 1:24 teacher-child ratio.*

10 (d) *Schoolage, enrolled in kindergarten to their 13th*
11 *birthday—1:14 adult-child ratio, 1:28 teacher-child ratio.*

12 (e) *Compliance with these ratios shall be determined based on*
13 *actual attendance.*

14 8273. (a) *Early learning and educational support programs*
15 *shall include a career ladder for instructional staff. The governing*
16 *board of each contracting agency shall be encouraged to provide*
17 *instructional staff and aides with salary increases for the successful*
18 *completion of early childhood education or child development*
19 *unit-based coursework and degrees.*

20 (b) *Any person who meets the following criteria is eligible to*
21 *serve in an instructional capacity in an early learning and*
22 *educational support program:*

23 (1) *Possesses a current credential issued by the Commission*
24 *on Teacher Credentialing authorizing teaching service in*
25 *elementary school or a single subject credential in home*
26 *economics, or possesses a permit issued by the Commission on*
27 *Teacher Credentialing authorizing service in the care,*
28 *development, and instruction of children in early learning and*
29 *educational support programs.*

30 (2) *Twelve units in early childhood education or child*
31 *development, or both, or two years' experience in early childhood*
32 *education or an early learning and educational support program.*

33 (3) *Persons who are 18 years of age and older may be employed*
34 *as aides and may be eligible for salary increases upon the*
35 *completion of additional semester units in early childhood*
36 *education or child development.*

37 8274. (a) *Any entity operating programs pursuant to _____*
38 *providing direct classroom services to children at two or more*
39 *sites, including through more than one contract or subcontract*

1 funded pursuant to this chapter, shall employ a program director,
2 as defined in subdivision (ag) of Section 8208.

3 (b) The program director also may serve as the site supervisor
4 at one of the sites, provided that he or she both fulfills the duties
5 of a “day care center director,” as set forth in Section 101215.1
6 of Title 22 of the California Code of Regulations, and meets the
7 qualifications for a site supervisor as set forth in subdivision (an)
8 of Section 8208.

9 (c) The Superintendent may waive the qualifications for program
10 director described in Sections 8275 and 8276 upon a finding of
11 one of the following circumstances:

12 (1) The applicant is making satisfactory progress toward
13 securing a permit issued by the Commission on Teacher
14 Credentialing authorizing supervision of a child care and
15 development program operating in two or more sites or fulfilling
16 the qualifications for program directors in severely handicapped
17 programs, as specified in Section 8276.

18 (2) The place of employment is so remote from institutions
19 offering the necessary coursework as to make continuing education
20 impracticable and the contractor has made a diligent search but
21 has been unable to hire a more qualified applicant.

22 (d) The Superintendent, upon good cause, may by rule identify
23 and apply grounds in addition to those specified in subdivision (c)
24 for granting a waiver of the qualifications for program director.

25 8275. Any entity operating early learning and educational
26 support programs providing direct classroom services to children,
27 pursuant to _____, at two or more sites, shall employ a program
28 director who possesses a permit or credential issued by the
29 Commission on Teacher Credentialing authorizing supervision of
30 a child care and development program, including, but not limited
31 to:

32 (a) An administrative credential with a preschool endorsement.

33 (b) A children’s center supervision permit.

34 (c) A program director permit.

35 (d) A waiver issued by the Superintendent pursuant to Section
36 8274.

37 8276. Notwithstanding Sections 8273 and 8275, any person
38 serving as a teacher or program director in a child care and
39 development program that provides service to severely disabled
40 children, as defined in subdivision (al) of Section 8208, pursuant

1 to subdivision (d) of Section 8231, shall hold an appropriate child
2 care and development permit, be deemed to hold that permit
3 pursuant to subdivision (b) of Section 8273 or Section 8275, or
4 meet one or more of the following options:

5 (a) Is a teacher meeting one of the following criteria:

6 (1) Has completed all the following:

7 (A) Twenty-four semester units of coursework, with a “C” or
8 better average, from an accredited institution in any one or a
9 combination of the following areas: psychology, sociology, special
10 education, physical education, recreation therapy, vocational
11 education, early childhood education, and child development.

12 (B) Sixteen semester units of coursework in general education,
13 including one course in each of the following areas: humanities,
14 social sciences, math or science, or both, and English.

15 (C) Completed one of the following:

16 (i) Two experience periods as a paid aide or assistant in a
17 program serving children with exceptional needs or severely
18 disabled children.

19 (ii) Three experience periods as a volunteer in an instructional
20 capacity in a program serving children with exceptional needs or
21 severely disabled children.

22 (iii) Two or more semester units of supervised field coursework
23 in a child care and development program at an accredited
24 institution, plus one experience period in a program serving
25 children with exceptional needs or severely disabled children.

26 For purposes of this subparagraph, “experience period” means
27 paid or volunteer services in a program serving children with
28 exceptional needs or severely disabled children for not less than
29 200 hours. Those services shall have been provided for a minimum
30 of two hours per day during not more than 36 consecutive months.

31 (2) Holds a California special education credential.

32 (b) Is a program director meeting one of the following criteria:

33 (1) Holds a California special education credential.

34 (2) Holds a professional credential, license, or master’s degree
35 in psychology, social work, special education, physical education,
36 recreation therapy, vocational education, counseling, early
37 childhood education, or child development, and has completed six
38 semester units of administration and supervision of early childhood
39 education or child development programs, or both.

1 (c) Was employed before January 1, 1993, as a teacher or
2 program director in a child care and development program that
3 provides services to severely disabled children.

4 8277. Not later than 95 days after the governing board of a
5 public agency sets the date a person employed by that board shall
6 begin service in a position requiring a permit or credential, that
7 person shall file, on or before that date, with the county
8 superintendent of schools a valid permit issued on or before that
9 date, authorizing him or her to serve in a position for which he or
10 she was employed. Upon renewal of that permit, that person shall
11 file that renewal with the county superintendent of schools no later
12 than 95 days after the renewal.

13 8278. The Commission on Teacher Credentialing shall establish
14 standards for the issuance of the permits. The standards may be
15 changed from time to time, but changes shall not affect current
16 valid permits issued to persons.

17 8279. Notwithstanding any other law, a high school pupil or
18 any other adult shall be selected by the governing board of a public
19 or private agency to serve as nonteaching personnel to perform
20 noninstructional work. A career ladder shall be utilized in the
21 employment and promotion of noninstructional personnel. Each
22 person shall have had a health examination made within the
23 12-month period preceding the date of employment. Each person
24 shall also submit duplicate personal identification cards upon
25 which shall appear legible fingerprints and a personal description
26 of the applicant.

27 8280. (a) A person employed by a public or private agency in
28 a position requiring a child development permit for the supervision
29 and instruction of children, or for service as a physician, dentist,
30 or nurse, or in the supervision of the early learning and educational
31 support program, shall be deemed to be employed in a position
32 requiring certification qualifications. All other persons employed
33 by an agency in a child development program under the provisions
34 of this chapter shall be deemed for all purposes, including
35 retirement, to be a person employed by the agency in a position
36 not requiring certification qualifications.

37 (b) A school district may lay off an employee required to have
38 a permit at any time during the school year for lack of work or
39 lack of funds or may provide for his or her employment for not to
40 exceed 90 days in any one school year on an intermittent basis

1 *which shall not be deemed probationary service. The order of*
2 *layoff shall be determined by length of service. The employee who*
3 *has served the shortest time shall be laid off first, except that no*
4 *permanent employee shall be laid off ahead of a probationary*
5 *employee. A permanent employee who has been laid off shall hold*
6 *reinstatement rights for a period of 39 months from the date of*
7 *layoff.*

8 *(c) Service performed before September 18, 1959, shall not be*
9 *included in computing the service required as a prerequisite for*
10 *attainment of, or eligibility to, classification as a permanent child*
11 *development employee.*

12 *(d) A person who is employed by an agency as a probationary*
13 *employee in a position requiring a child development permit for*
14 *the supervision and instruction of children, or for service as a*
15 *physician, dentist, or nurse, or in the supervision of the children's*
16 *program and who has served in such a position for three complete*
17 *consecutive school years as defined in Section 44908 or 87468*
18 *and Section 44975 or 87776 immediately before September 18,*
19 *1959, may be dismissed only in accordance with the provisions of*
20 *Section 44949 or 87740. All other persons who are employed as*
21 *probationary employees in positions requiring those permits on*
22 *or after September 18, 1959, may be dismissed in accordance with*
23 *the provisions of Section 44949 or 87740.*

24 *8281. (a) Any city, county, or city and county charter provision*
25 *to the contrary notwithstanding, each person employed by an*
26 *agency on July 1, 1955, and each person employed by an agency*
27 *on September 11, 1957, who was excluded, solely by reason of the*
28 *provisions of the predecessor of Section 8366 in effect before July*
29 *1, 1955, or who was excluded solely by reason of the provisions*
30 *of the predecessor of this section before September 11, 1957, from*
31 *membership in any retirement system in which the agency*
32 *participates or to which it contributes for the purpose of providing*
33 *retirement rights and benefits for employees of the agency not*
34 *employed in a status requisite for membership in the State*
35 *Teachers' Retirement System, shall become a member of the*
36 *retirement system from which he or she was excluded, on July 1,*
37 *1955, or on September 11, 1957, if excluded solely by reason of*
38 *the provisions of the predecessor of this section in effect before*
39 *that date. Every member shall be entitled to credit for service in*
40 *child development programs rendered before July 1, 1955, or*

1 before September 11, 1957, if excluded, and before he or she
2 became a member of the system, in the same manner as if he or
3 she had not been excluded from membership in the retirement
4 system, except that he or she shall not be required to make any
5 contributions to the retirement system in respect to service
6 rendered before his or her membership, and all contributions
7 necessary to provide benefits on account of that service shall be
8 paid to the retirement system by the agency by which the member
9 is employed. For the purpose of computing benefits for services
10 rendered before July 1, 1955, as provided in this section, the
11 average monthly salary earned by the employee in the 1954–55
12 fiscal year shall be used, and for the purpose of computing benefits
13 for service rendered between July 1, 1955, and September 11,
14 1957, for members receiving credit for service between those dates
15 under the provisions of the predecessor of this section as amended
16 by Chapter 1238 of the Statutes of 1957, the average monthly
17 salary earned by those employees in the 1956–57 fiscal year shall
18 be used.

19 (b) Notwithstanding any other provisions of this section, for the
20 purpose of computing benefits for any person retired on and after
21 January 1, 1958, for services rendered before July 1, 1955, as
22 provided in this section, and for the purpose of computing benefits
23 for services rendered between July 1, 1955, and September 11,
24 1957, for members receiving credit for service between those dates
25 under the provisions of this section, the “final compensation” of
26 the person shall be computed in the same manner as for other
27 employees who are included in the same retirement system and in
28 the same class of retirement system members and who are not
29 affected by this section. The amendment to this section enacted at
30 the 1963 session shall be applied to increase the allowances,
31 payable subsequent to October 1, 1963, in respect to those
32 members who retired on or after July 1, 1955.

33 (c) Notwithstanding any other provisions of this section no
34 increased allowance shall be paid, as authorized by this section,
35 to any person who has retired between July 1, 1955, and October
36 1, 1963, unless the person to whom the increase would otherwise
37 be payable mails written application for the increase to the
38 appropriate retirement system before April 1, 1964.

39 SEC. 36. Section 8271 of the Education Code is amended and
40 renumbered to read:

1 ~~8271.~~
 2 8366. In the event that operating agencies are unable to operate
 3 due to incomplete renovations authorized by administrating state
 4 agencies, or due to circumstances beyond the control of the
 5 operating agency, including, *but not limited to*, earthquakes, floods,
 6 or fire, such programs shall not be penalized for incurred program
 7 expenses nor in subsequent annual budget allocations.

8 *SEC. 37. The heading of Article 12 (commencing with Section*
 9 *8275) of Chapter 2 of Part 6 of Division 1 of Title 1 of the*
 10 *Education Code is repealed.*

11
 12 ~~Article 12. Allocations and Expenditures~~

13
 14 *SEC. 38. Section 8275 of the Education Code is amended and*
 15 *renumbered to read:*

16 ~~8275.~~
 17 8367. (a) The Superintendent may reimburse approvable
 18 startup costs of child development agencies or facilities in an
 19 amount not to exceed 15 percent of the expansion or increase of
 20 each agency’s total contract amount. Under no circumstances shall
 21 reimbursement for startup costs result in an increase in the agency’s
 22 total contract amount. These funds shall be available for all of the
 23 following:

- 24 (1) The employment and orientation of necessary staff.
- 25 (2) The setting up of the program and facility.
- 26 (3) The finalization of rental agreements and the making of
- 27 necessary deposits.
- 28 (4) The purchase of a reasonable inventory of materials and
- 29 supplies.

30 (5) The purchase of an initial premium for insurance.
 31 (b) Agencies shall submit claims for startup costs with their first
 32 quarterly reports.
 33 (c) The Legislature recognizes that allowances for startup costs
 34 are necessary for the establishment and stability of new ~~child~~
 35 ~~development~~ *early learning and educational support* programs.
 36 ~~Programs initially funded in the 1978–79 fiscal year and 1979–80~~
 37 ~~fiscal year are included in this section.~~

38 *SEC. 39. Section 8276.5 of the Education Code is amended*
 39 *and renumbered to read:*

1 ~~8276.5.~~

2 8496. (a) The Legislature recognizes the shortage of child
3 care and development facilities ~~which~~ *that* meet state and local
4 health and safety standards, and the lack of other sources of funding
5 for renovations and repairs necessary to upgrade facilities for
6 licensing in order to accommodate major child care expansion. It
7 is, therefore, the intent of the Legislature that funds be appropriated
8 for the purpose of providing small grants, as provided in Section
9 ~~8277.1~~ 8389, to family-day care homes, and revolving loans with
10 no interest, as provided in Section ~~8277.2~~ 8390, to all other types
11 of child care and development facilities, in order to provide
12 sufficient child care and development facilities meeting licensing
13 standards to accommodate the level of child care expansion
14 provided in this chapter.

15 ~~It~~

16 (b) *It* is further the intent of the Legislature that funds be
17 appropriated for the state purchase of relocatable child care and
18 development facilities as provided in Section ~~8277.7~~ 8396, for
19 lease to qualifying contracting agencies in geographic areas with
20 no available child care and development facilities.

21 *SEC. 40. Section 8277 of the Education Code is amended and*
22 *renumbered to read:*

23 ~~8277.~~

24 8399. (a) The Superintendent ~~of Public Instruction~~ shall
25 establish regulations for the allocation of capital outlay funds
26 provided pursuant to Section ~~8277.1~~ 8389 to Section ~~8277.4~~ 8392,
27 inclusive, to benefit children most needing child care and
28 development programs. The first priority for all capital outlay shall
29 be given to facilities located in geographic areas with no other
30 available enrollment slots in existing subsidized and nonsubsidized
31 child care and development facilities. All such capital outlay
32 funding shall be used solely for purposes of renovation and repair
33 of existing buildings.

34 ~~The~~

35 (b) *The* Superintendent ~~of Public Instruction~~ shall establish
36 qualifications for determining the eligibility of contracting agencies
37 and ~~day~~ care homes to apply for capital outlay funds.

38 *SEC. 41. Section 8277.1 of the Education Code is amended*
39 *and renumbered to read:*

1 8277.1.

2 8389. (a) The Superintendent of ~~Public Instruction~~ may
3 allocate to family day care homes based on need, an amount from
4 the appropriation in Section 23 of the chapter of the Statutes of
5 1980 by which this section was enacted, not to exceed one thousand
6 dollars (\$1,000) per home, for minor capital outlay purchases for
7 the repair and renovation of homes for the purpose of insuring
8 compliance with state and local health and safety standards.

9 ¶

10 (b) It is the intent of the Legislature that capital outlay moneys
11 be accessible to family day care homes through the auspices of
12 the contract agency or a family day care association, which may
13 include resource and referral agencies.

14 SEC. 42. Section 8277.2 of the Education Code is amended
15 and renumbered to read:

16 8277.2.

17 8390. The Superintendent of ~~Public Instruction~~ shall establish
18 a revolving loan fund to provide loans to child care and
19 development contracting agencies for capital outlay not to exceed
20 2 percent or two thousand dollars (\$2,000), whichever is greater,
21 of the agency’s contract amount. These loans shall be available
22 with no interest and shall be used to renovate and repair child care
23 facilities to meet state and local health and safety standards.

24 SEC. 43. Section 8277.3 of the Education Code is amended
25 and renumbered to read:

26 8277.3.

27 8391. (a) Repayments on loans made pursuant to Section
28 ~~8277.2~~ 8390 shall commence within one year after allocation of
29 the loan to the contracting agency. In lieu of payments by the
30 contracting agency, the Superintendent of ~~Public Instruction~~ shall
31 annually reduce the agency’s contract amount for child care
32 services by at least the level of normal depreciation allowance on
33 the renovation or repair, calculated by the straight line method of
34 depreciation.

35 ¶

36 (b) The entire balance of a loan made pursuant to this section
37 shall be payable to the Superintendent of ~~Public Instruction~~
38 immediately if the contracting agency ceases operation of services
39 to children subsidized pursuant to this chapter, or if the

1 Superintendent of ~~Public Instruction~~ fails to renew the agency's
2 contract, or if 10 years have elapsed from the date of the allocation.

3 ~~The~~

4 (c) ~~The~~ Superintendent of ~~Public Instruction~~ shall deposit all
5 revenue derived from loan payments made by contracting agencies,
6 or reductions made by the Superintendent of ~~Public Instruction~~ in
7 agencies' contracts in lieu of payments, into the revolving loan
8 fund for allocation to other contracting agencies for capital outlay
9 projects pursuant to this section.

10 *SEC. 44. Section 8277.4 of the Education Code is amended*
11 *and renumbered to read:*

12 ~~8277.4.~~

13 8392. The state shall hold a security interest in all renovations
14 and repairs funded pursuant to Section ~~8277.2~~ 8390.

15 *SEC. 45. Section 8277.5 of the Education Code is amended*
16 *and renumbered to read:*

17 ~~8277.5.~~

18 8398. (a) For purposes of this section "department" means the
19 Department of Housing and Community Development.

20 (b) Subject to appropriation in the annual Budget Act, the Child
21 Care and Development Facilities Loan Guaranty Fund and the
22 Child Care and Development Facilities Direct Loan Fund are
23 hereby established in the State Treasury. The Superintendent of
24 ~~Public Instruction~~ may transfer state funds appropriated for child
25 care facilities enhancement and the proceeds derived from any
26 future sales of tax-exempt child care and development facilities
27 bonds into these funds.

28 (c) Notwithstanding Section 13340 of the Government Code,
29 all moneys in the Child Care and Development Facilities Loan
30 Guaranty Fund and the Child Care and Development Facilities
31 Direct Loan Fund, including any interest on loans made from the
32 fund, or loan repayments to the fund, are hereby continuously
33 appropriated to the department for carrying out the purposes of
34 this section and Section ~~8277.6~~ 8399, respectively. Any loan
35 repayment or interest resulting from investment or deposit of
36 moneys in these funds shall be deposited in the applicable fund,
37 notwithstanding Section 16305.7 of the Government Code. Moneys
38 in the funds shall not be subject to transfer to any other fund
39 pursuant to Part 2 (commencing with Section 16300) of Division

1 4 of Title 2 of the Government Code, except the Surplus Money
2 Investment Fund.

3 (d) (1) Moneys deposited in the Child Care and Development
4 Facilities Loan Guaranty Fund shall be used for the purpose of
5 guaranteeing private sector loans to sole proprietorships,
6 partnerships, proprietary and nonprofit corporations, and local
7 public agencies for the purchase, development, construction,
8 expansion, or improvement of licensed child care and development
9 facilities, and for the purpose of administering the guarantees of
10 these loans. The loan guarantees shall be made by the department
11 or by a public or private entity approved by the department, in
12 accordance with the priorities established by the department, as
13 described in Section ~~8277.6~~ 8399. The full faith and credit of the
14 State of California is not pledged to the Child Care and
15 Development Facilities Loan Guaranty Fund and the state is not
16 liable for loan defaults that exceed the amount of funds deposited
17 with the Child Care and Development Facilities Loan Guaranty
18 Fund.

19 (2) A loan guarantee made pursuant to this section may not
20 exceed 80 percent of the principal and interest amount of a private
21 sector loan guaranteed by the fund and shall be used only to
22 guarantee a private sector loan for the purchase, development,
23 construction, expansion, or improvement of facilities described in
24 Section ~~8277.6~~ 8399 and for related equipment and fixtures, but
25 shall not be used primarily to refinance an existing loan or for
26 working capital, supplies, or inventory. A loan guarantee for
27 improvements shall be limited to those improvements necessary,
28 as determined by the department, for any of the following purposes:

29 (A) To obtain, maintain, renew, expand, or revise a child care
30 license.

31 (B) To make necessary health and safety improvements.

32 (C) To make seismic improvements.

33 (D) To provide access for disabled children.

34 (E) To expand upon or preserve existing child care operations.

35 (3) The aggregate amount of outstanding loan guarantees shall
36 not exceed four times the amount in the Child Care and
37 Development Facilities Loan Guaranty Fund.

38 (4) A loan guarantee made pursuant to this section shall be for
39 the term of the loan or 20 years, whichever is less. Security for the
40 guaranteed loan may include a deed of trust, personal guarantees

1 of shareholders and partners in the case of proprietary borrowers,
2 or other reasonably available collateral. These liens may be
3 subordinated to other liens. Default provisions and other terms
4 shall be reasonable and designed to obtain prompt and full
5 repayment of the guaranteed loan by the borrower. Reasonable
6 loan guarantee fees and points may be charged to applicants and
7 borrowers by any public or private entity approved by the
8 department, as described in regulations adopted by the department.

9 (5) A loan guarantee made pursuant to this section shall only
10 be granted if the applicant agrees to provide child care in a facility
11 for a period of 20 years or the term of the guaranteed loan,
12 whichever is less.

13 (6) A loan guarantee made pursuant to this section terminates
14 120 days after the lender's receipt of notice that the recipient has
15 either ceased making payments or providing child care in the
16 facility for which the loan was made, or both, unless the lender
17 takes action to accelerate the loan. If a family day care provider
18 ceases to operate, but retains its three-year license, the provider
19 shall give notice to the department and the lending institution of
20 its intention to resume offering child care services for the term of
21 its license, or shall provide notice of its intention to cease providing
22 child care services. The Child Care and Development Facilities
23 Loan Guaranty Fund is not liable for a default occurring after the
24 loan guarantee has ended.

25 (e) (1) Moneys deposited in the Child Care and Development
26 Facilities Direct Loan Fund shall be used for the purpose of making
27 subordinated loans directly or through a public or private entity
28 approved by the department to sole proprietorships, partnerships,
29 proprietary and nonprofit corporations, and local public agencies
30 for the purchase, development, construction, expansion, or
31 improvement of licensed child care and development facilities,
32 and for the purpose of administering these loans. Loans shall be
33 made in accordance with the priorities established by the
34 department as set forth in Section-8277.6 8399. The full faith and
35 credit of the State of California is not pledged to the Child Care
36 and Development Facilities Direct Loan Fund and the state is not
37 liable for loan defaults that exceed the amount of funds deposited
38 in the Child Care and Development Facilities Direct Loan Fund.

39 (2) A loan made pursuant to this section may not exceed 75
40 percent of the total amount of investment for the purchase,

1 development, expansion, or improvement of eligible child care
2 and development facilities as described in Section ~~8277.6~~ 8399
3 and for related equipment and fixtures, but may not be used
4 primarily to refinance an existing loan, for working capital, for
5 supplies, or for inventory. A loan made pursuant to this section
6 may not exceed 20 percent of the total amount of investment if the
7 same facility is also utilizing a loan guarantee pursuant to
8 subdivision (c). Investment for purposes of this paragraph means
9 the total cost paid or incurred by the applicant in constructing,
10 renovating, or acquiring a facility. A loan for improvements shall
11 be limited to those improvements necessary, as determined by the
12 department, for any of the following purposes:

13 (A) To obtain, maintain, renew, expand, or revise a child care
14 license.

15 (B) To make necessary health and safety improvements.

16 (C) To make seismic improvements.

17 (D) To provide access for disabled children.

18 (E) To expand upon or preserve existing child care operations.

19 (3) The term of a loan made pursuant to this section may not
20 exceed 30 years. Security for the loan may include a deed of trust,
21 personal guarantees of shareholders and partners in the case of
22 proprietary borrowers, or other reasonably available collateral.
23 These liens may be subordinated to other liens. The payment
24 provisions, late charges, and other terms may vary based on the
25 ability of the borrower to repay the loan, but shall be reasonable
26 and designed to obtain prompt and full repayment of the loan by
27 the borrower. A direct loan shall bear simple interest at the rate of
28 3 percent per annum on the unpaid principal balance. Reasonable
29 loan fees and points may be charged to applicants and borrowers,
30 as described in regulations adopted by the department. The
31 department may permit a loan to be assumed by an otherwise
32 qualified borrower who agrees to continue to provide child care
33 for the balance of the original term of the loan.

34 (f) Funds appropriated for ~~the~~ purposes of this section and
35 Section ~~8277.6~~ 8399 shall be made from funds that are not
36 designated as meeting the state's minimum funding obligation
37 under Section 8 of Article XVI of the California Constitution.

38 *SEC. 46. Section 8277.6 of the Education Code is amended*
39 *and renumbered to read:*

1 ~~8277.6.~~

2 8399. (a) For purposes of this section “department” means the
3 Department of Housing and Community Development.

4 (b) The department shall administer the Child Care and
5 Development Facilities Loan Guaranty Fund and the Child Care
6 and Development Facilities Direct Loan Fund. The department
7 may administer the funds directly, through interagency agreements
8 with other state agencies, through contracts with public or private
9 entities, or through any combination thereof. If the department
10 determines that a public or private entity is capable of making
11 child care and development facilities loans or loan guarantees, the
12 department may delegate the authority to review and approve those
13 loans or guarantees to the public or private entity. The department
14 is authorized to enter into interagency agreements to carry out the
15 purposes of this section and ~~Section-8277.5~~ 8398 by utilizing the
16 services of small business financial development corporations
17 established pursuant to Chapter 1 (commencing with Section
18 14000) of Part 5 of Division 3 of the Corporations Code. Toward
19 this end, the department is authorized to transfer funds from the
20 Child Care and Development Facilities Direct Loan Fund to the
21 California Economic Development Grant and Loan Fund
22 established by Section 15327 of the Government Code and to
23 transfer funds from the Child Care and Development Facilities
24 Loan Guaranty Fund to the Small Business Expansion Fund
25 established by Section 14030 of the Corporations Code. Those
26 funds shall be deposited into a Child Care Direct Loan Fund
27 Account and a Child Care Loan Guaranty Fund Account hereby
28 established in the respective funds. Notwithstanding anything to
29 the contrary in Chapter 1 (commencing with Section 15310) of
30 Part 6.7 of Division 3 of Title 2 of the Government Code and
31 Chapter 1 (commencing with Section 14000) of Part 5 of Division
32 3 of the Corporations Code, the funds in these accounts shall be
33 administered in compliance with the requirements of this section
34 and ~~Section-8277.5~~ 8398.

35 (c) Eligible applicants for the loan guaranty program and the
36 direct loan program shall include, but not be limited to, sole
37 proprietorships, partnerships, proprietary and nonprofit
38 corporations, and local public agencies that are responsible for
39 contracting with or providing licensed child care and development
40 services. Eligible facilities shall include licensed full-day and

1 part-day child care and development facilities and licensed large
2 family day care homes as described in Section 1597.465 of the
3 Health and Safety Code, and licensed small family day care homes
4 as described in Section 1597.44 of the Health and Safety Code.

5 (d) Loan guarantees and direct loans for family child care homes
6 shall not be made for the purpose of purchasing a home or any real
7 property.

8 (e) The State Department of Education shall provide input
9 regarding program priorities that shall be considered in the funding
10 of applications by the department. These priorities shall include,
11 but are not limited to, the following:

12 (1) Geographic priorities based on the extent of need for child
13 care and development supply-building efforts in different parts of
14 the state.

15 (A) Not less than 30 percent of the loan guarantee and direct
16 loan obligations shall benefit providers located in rural areas, as
17 defined in subparagraph (B). If the amount of qualified applications
18 from rural providers is insufficient to satisfy this requirement, the
19 excess capacity reserved for rural providers may be made available
20 to other qualified applications according to the policies and
21 procedures of the department. The remaining 70 percent of funds
22 shall be available to rural or urban areas and other priorities in
23 accordance with this subdivision.

24 (B) For purposes of subdivision (a), rural communities are
25 defined by any county with fewer than 400 residents per square
26 mile.

27 (2) Age priorities based on the extent of need for child care and
28 development supply-building efforts for children of different age
29 groups.

30 (3) Income priorities shall include families transitioning to work
31 or other lower income families. For purposes of this section, “lower
32 income” shall have the same meaning as “income eligible” as set
33 forth in ~~Section 8263.1~~ 8211.

34 (4) Program priorities based on the extent of facilities needs
35 among specific kinds of providers, including those that contract
36 to administer state and federally funded child care and development
37 programs administered by the State Department of Education,
38 providers who have lost classrooms due to class size reduction or
39 other state or local initiatives, or providers that need to expand to
40 meet the needs of a child care initiative for recipients of aid under

1 Chapter 3 (commencing with Section 11200) of Part 3 of Division
2 9 of the Welfare and Institutions Code, or any successor program.

3 (f) The program priorities shall reflect input from representatives
4 of diverse sectors of the child care and development field, financial
5 institutions, local planning councils, the Child Development
6 Programs Advisory Committee, and the State Department of Social
7 Services for purposes of identifying communities with high
8 percentages of recipients of aid under Chapter 3 (commencing
9 with Section 11200) of Part 3 of Division 9 of the Welfare and
10 Institutions Code, or any successor program, who need child care
11 to meet work requirements. As part of its annual report to the
12 Legislature, required pursuant to Section 50408 of the Health and
13 Safety Code, the department shall assess and report, after
14 consultation with the State Department of Education, on the
15 performance, effectiveness, and fiscal standing of the Child Care
16 and Development Facilities Loan Guaranty Fund and the Child
17 Care and Development Facilities Direct Loan Fund. The report
18 shall include information on the number of defaults, the types of
19 facilities in default, and a review of the adequacy of the set-aside
20 for rural areas specified in paragraph (1) of subdivision (e).

21 (g) The department shall adopt regulations and establish
22 priorities, forms, policies and procedures for implementing and
23 managing the Child Care and Development Facilities Loan
24 Guaranty Fund and the Child Care and Development Facilities
25 Direct Loan Fund and making the loan guarantees and direct loans
26 authorized hereunder consistent with priorities provided by the
27 State Department of Education. To the extent feasible, the
28 department shall use applicant fees and points to cover its
29 administrative costs. The department may utilize an amount of
30 money from the Child Care and Development Facilities Loan
31 Guaranty Fund and the Child Care and Development Facilities
32 Direct Loan Fund, as appropriate, for reasonable administrative
33 costs in any given fiscal year. Unless an appropriation for
34 administrative costs is made in the annual Budget Act that exceeds
35 the following limits, administrative expenditures shall not exceed
36 3 percent of the amount appropriated to each fund in the Budget
37 Act of 1997.

38 (h) (1) The department shall adopt regulations to efficiently
39 and effectively implement the microenterprise loan program

1 described in this subdivision, including, but not limited to, the
2 following:

3 (A) Making loans available from the Child Care and
4 Development Facilities Direct Loan Fund to local microenterprise
5 loan funds and other lenders who may relend the funds in
6 appropriate amounts to eligible small family day care home
7 providers described in Section 1597.44 of the Health and Safety
8 Code, large family day care home providers described in Section
9 1597.465 of the Health and Safety Code, and licensed child care
10 and development facilities that serve up to 35 children.

11 (B) Authorizing a specified amount of guarantees of small loans
12 by local microenterprise loan funds and other lenders serving
13 eligible small family day care home providers described in Section
14 1597.44 of the Health and Safety Code, large family day care home
15 providers described in Section 1597.465 of the Health and Safety
16 Code, and licensed child care and development facilities that serve
17 up to 35 children.

18 (2) Notwithstanding anything to the contrary in this section or
19 Section ~~8277.5~~ 8398, a loan made pursuant to this subdivision
20 shall not be made for less than five thousand dollars (\$5,000) or
21 for more than fifty thousand dollars (\$50,000) and shall not be
22 subject to the 75-percent investment restriction contained in
23 paragraph (2) of subdivision (e) of Section ~~8277.5~~ 8398.

24 (i) The department may adopt regulations for the purposes of
25 this section as emergency regulations in accordance with Chapter
26 3.5 (commencing with Section 11340) of Part 1 of Division 3 of
27 Title 2 of the Government Code. For the purposes of the
28 Administrative Procedure Act, including Section 11349.6 of the
29 Government Code, the adoption of the regulations shall be deemed
30 to be an emergency and necessary for the immediate preservation
31 of the public peace, health and safety, or general welfare,
32 notwithstanding subdivision (e) of Section 11346.1 of the
33 Government Code. Notwithstanding subdivision (e) of Section
34 11346.1, any regulation adopted pursuant to this section shall not
35 remain in effect more than 180 days unless the department complies
36 with all provisions of Chapter 3.5 (commencing with Section
37 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
38 as required by subdivision (e) of Section 11346.1 of the
39 Government Code.

1 *SEC. 47. Section 8277.65 of the Education Code is amended*
2 *and renumbered to read:*

3 ~~8277.65.~~

4 8400. The Child Care and Development Facilities Loan
5 Guaranty Fund, the Child Care and Development Facilities Direct
6 Loan Fund, and the Child Care Loan Guaranty Fund Account in
7 the Small Business Expansion Fund are abolished. All moneys
8 remaining in the Child Care and Development Facilities Loan
9 Guaranty Fund, the Child Care and Development Facilities Direct
10 Loan Fund, and the Child Care Loan Guaranty Fund Account in
11 the Small Business Expansion Fund shall revert to the General
12 Fund. The Department of Housing and Community Development
13 shall deposit all subsequent loan repayments to the Treasurer to
14 the credit of the General Fund. The abolishment of the Child Care
15 and Development Facilities Loan Guaranty Fund, the Child Care
16 and Development Facilities Direct Loan Fund, and the Child Care
17 Loan Guaranty Fund Account in the Small Business Expansion
18 Fund does not terminate any of the following rights, obligations,
19 or authorities, or any provision necessary to carry out those rights,
20 obligations, or authorities:

21 (a) The repayment of loans due and payable to the department
22 or the relevant financial company.

23 (b) The obligation of the state to pay claims arising from the
24 default of outstanding loans that have been guaranteed.

25 (c) Payment to lenders for default of any outstanding guaranteed
26 loans secured by those moneys.

27 (d) The resolution of any cost recovery action.

28 *SEC. 48. Section 8277.66 of the Education Code is amended*
29 *and renumbered to read:*

30 ~~8277.66.~~

31 8401. Notwithstanding any other ~~provision of~~ law, up to one
32 hundred thirty-nine thousand dollars (\$139,000) may be transferred
33 from the General Fund to the Small Business Expansion Fund
34 upon the order of the Director of Finance if funds are needed to
35 pay a loan guarantee made from the Small Business Expansion
36 Fund pursuant to Sections ~~8277.5~~ 8398 and ~~8277.6~~ 8399. This
37 authority shall expire on the date upon which all loan guarantees
38 outstanding as of July 1, 2008, are retired, or January 1, 2020,
39 whichever occurs first.

1 *SEC. 49. Section 8277.7 of the Education Code is amended*
2 *and renumbered to read:*

3 8277.7.

4 8396. (a) As used in this section:

5 (1) “Board” means the State Allocation Board.

6 (2) “Lessee” means a child care and development contracting
7 agency to whom the board has leased a relocatable facility pursuant
8 to this section.

9 (b) The board, with the advice of the Superintendent of Public
10 Instruction, may do all of the following:

11 (1) Establish any qualifications that it deems will best serve the
12 purposes of this section for determining the eligibility of child care
13 and development contracting agencies to lease relocatable facilities
14 under this section.

15 (2) Establish any procedures and policies in connection with
16 the administration of this section that it deems necessary.

17 (3) Adopt any rules and regulations for the administration of
18 this section requiring such procedure, forms, and information that
19 it may deem necessary.

20 (4) Have constructed, furnished, equipped, or otherwise require
21 whatever work is necessary to place relocatable child care and
22 development facilities where needed.

23 (5) Own, have maintained, and lease relocatable classrooms to
24 qualifying child care and development contracting agencies.

25 (c) The board shall lease relocatable facilities to qualifying child
26 care and development contracting agencies and shall charge rent
27 of one dollar (\$1) per year. The board shall require lessees to
28 undertake all necessary maintenance, repairs, renewal, and
29 replacement to ensure that a project is at all times kept in good
30 repair, working order, and condition. All costs incurred for this
31 purpose shall be borne by the lessee.

32 (d) The board shall require lessees to insure at their own expense
33 for the benefit of the state, any leased relocatable facility which is
34 the property of the state, against any risks, including liability from
35 the use thereof, in the amounts the board may deem necessary to
36 protect the interest of the state.

37 (e) The board shall have authority to adopt rules establishing
38 priorities for the acquisition and leasing of facilities to contracting
39 agencies ~~which~~ *that* will most benefit children needing child care
40 and development programs. The board shall require each lessee

1 to demonstrate that relocatable facilities are utilized solely for
2 operation of child care and development programs.

3 (f) No relocatable facilities shall be made available to a
4 contracting agency unless the agency furnishes evidence,
5 satisfactory to the board, that the contracting agency has no other
6 facility available for rental, lease, or purchase in the geographic
7 service area that is economically or otherwise feasible.

8 (g) The board shall have prepared for its use, performance
9 specifications for relocatable facilities and bids for their
10 construction that can be solicited from more than one responsible
11 bidder. The board shall from time to time solicit bids from, and
12 award to, the lowest responsible competitive bidder, contracts for
13 the construction or purchase of relocatable facilities that have been
14 approved for lease to eligible child care and development
15 contracting agencies.

16 (h) If at any time the board determines that a lessee's need for
17 particular relocatable facilities ~~which~~ *that* were made available to
18 the lessee pursuant to this chapter has ceased, the board may take
19 possession of the relocatable facilities and may lease them to other
20 eligible contracting agencies or, if there is no longer a need for the
21 relocatable facilities, the board may dispose of them to public or
22 private parties in the manner it deems to be in the best interests of
23 the state.

24 ~~Any~~

25 (i) ~~Any~~ revenue ~~which~~ *that* is derived from a lease or other
26 disposition of the relocatable facilities pursuant to this section is
27 continuously appropriated to the board for the purposes of this
28 section to fund the purchase of other relocatable facilities for child
29 care and development programs.

30 *SEC. 50. Section 8277.8 of the Education Code is amended*
31 *and renumbered to read:*

32 ~~8277.8.~~

33 *8407.* In the event that a school district elects to discontinue
34 its contract for child development services, the facilities owned
35 by the school district and constructed through the provisions of
36 the local tax override for child development purposes shall be
37 made available to the local contractor whose bid is accepted for
38 continuation of the services.

39 The rent for such facilities shall not exceed the prevailing rental
40 rate for such facilities.

1 *SEC. 51. Section 8278.3 of the Education Code is amended*
2 *and renumbered to read:*

3 ~~8278.3.~~

4 8394. (a) (1) The Child Care Facilities Revolving Fund is
5 hereby established in the State Treasury to provide funding for the
6 renovation, repair, or improvement of an existing building to make
7 the building suitable for licensure for ~~child care and development~~
8 *early learning and educational support* services and for the
9 purchase of new relocatable child care facilities for lease to school
10 districts and contracting agencies that provide ~~child care and~~
11 ~~development~~ *early learning and educational support* services,
12 pursuant to this chapter. The Superintendent may transfer state
13 funds appropriated for child care facilities into this fund for
14 allocation to school districts and contracting agencies, as specified,
15 for the purchase, transportation, and installation of facilities for
16 replacement and expansion of capacity. School districts and
17 contracting agencies using facilities made available by the use of
18 these funds shall be charged a leasing fee, either at a fair market
19 value for those facilities or at an amount sufficient to amortize the
20 cost of purchase and relocation, whichever amount is lower, over
21 a 10-year period. Upon full repayment of the purchase and
22 relocation costs, title shall transfer from the State of California to
23 the school district or contracting agency. The Superintendent shall
24 deposit all revenue derived from the lease payments into the Child
25 Care Facilities Revolving Fund.

26 (2) Notwithstanding Section 13340 of the Government Code,
27 all moneys in the fund, including moneys deposited from lease
28 payments, are continuously appropriated, without regard to fiscal
29 years, to the Superintendent for expenditure pursuant to this article.

30 (b) On or before August 1 of each fiscal year, the Superintendent
31 shall submit to the Department of Finance and the Legislative
32 Analyst's Office a report detailing the number of funding requests
33 received and their purpose, the types of agencies that received
34 funding from the Child Care Facilities Revolving Fund, the
35 increased capacity that these facilities generated, a description of
36 the manner in which the facilities are being used, and a projection
37 of the lease payments collected and the funds available for future
38 use.

39 (c) A school district or county office of education that provides
40 child care pursuant to the California School Age Families

1 Education Program (Article 7.1 (commencing with Section 54740)
2 of Chapter 9 of Part 29 of Division 4 of Title 2) is eligible to apply
3 for and receive funding pursuant to this section.

4 *SEC. 52. Section 8279.1 of the Education Code is amended*
5 *and renumbered to read:*

6 ~~8279.1.~~

7 8368. ~~(a) The Legislature recognizes that child care programs~~
8 ~~have made valuable contributions towards ensuring that public~~
9 ~~assistance recipients will be able to accept and maintain~~
10 ~~employment or employment-related training. Therefore, it is the~~
11 ~~intent of the Legislature that the Superintendent ensure that~~
12 ~~counties comply with the requirements of Section 8279.~~

13 ~~(b) The Superintendent shall ensure each county's compliance~~
14 ~~with Section 8279 by not issuing funds to a local child care~~
15 ~~contractor within a county until the Superintendent has received~~
16 ~~written certification from that county that the level of expenditure~~
17 ~~for child care services provided by the county has been maintained~~
18 ~~at the 1970-71 fiscal year level pursuant to Section 8279. Funding~~
19 ~~provided by a county to a local child care contractor shall not~~
20 ~~adversely affect the reimbursement received by the agency from~~
21 ~~the Superintendent pursuant to Section 8265, 8265.5, or 8266.~~

22 *SEC. 53. Section 8279.4 of the Education Code is amended*
23 *and renumbered to read:*

24 ~~8279.4.~~

25 8388. The Legislature finds and declares the following:

26 (a) There is a serious shortage of quality child day care facilities
27 throughout the state.

28 (b) It is in the interest of the state's children and families, and
29 the state's economic growth, to encourage the expansion of existing
30 child day care facilities by assisting communities and interested
31 government and private entities to finance child day care facilities.

32 (c) In addition to regional resource centers described in
33 Provision 7(d) of Item 6110-196-0001 of the Budget Act of 1999,
34 which focus on developing child care capacity in underserved areas
35 of the state, there is a need to access capital for facilities on a
36 systematic basis, especially to use limited public sector funds to
37 leverage a greater private sector role in financing child day care
38 facilities. The Legislature finds and declares that a financial
39 intermediary could fill this role and support the regional resource
40 centers and other local entities that work with potential providers

1 by functioning as a centralized repository of training, best practices,
 2 and expertise on facilities financing.

3 *SEC. 54. Section 8279.5 of the Education Code is amended*
 4 *and renumbered to read:*

5 ~~8279.5.~~

6 8393. (a) The Superintendent ~~of Public Instruction~~ shall
 7 contract with a nonprofit organization to serve as a financial
 8 intermediary. The nonprofit organization shall have staff who have
 9 expertise in financing and capital expansion, are knowledgeable
 10 about the child care field, and have the ability to develop and
 11 implement a plan to increase the availability of financing to
 12 renovate, expand, and construct child day care facilities, both in
 13 day care centers and family day care homes.

14 (b) The financial intermediary selected by the Superintendent
 15 ~~of Public Instruction~~ shall undertake activities designed to increase
 16 funds available from the private and public sectors for the financing
 17 of child day care facilities. These activities shall include, but are
 18 not limited to, all of the following:

19 (1) Soliciting capital grants and program-related investments
 20 from foundations and corporations.

21 (2) Building partnerships with foundations and corporations.

22 (3) Developing lending commitments, linked deposits, and other
 23 financing programs with conventional financial institutions.

24 (4) Coordinating private sources of capital with existing public
 25 sector sources of financing for child day care facilities, including,
 26 but not limited to, the Department of Housing and Community
 27 Development and the California Infrastructure and Economic
 28 Development Bank.

29 (5) Coordinating financing efforts with the technical assistance
 30 provided by the regional resource centers described in Provision
 31 7(d) of Item 6110-196-0001 of the Budget Act of 1999, and other
 32 local entities that work with potential providers.

33 (c) This section shall only be implemented to the extent that
 34 funds are appropriated for this purpose in the annual Budget Act.

35 *SEC. 55. Section 8279.6 of the Education Code is amended*
 36 *and renumbered to read:*

37 ~~8279.6.~~

38 8395. (a) Pursuant to funding made available in subdivision
 39 (d) of Provision 7 of Item 6110-196-001 of the Budget Act of
 40 2000, the Superintendent ~~of Public Instruction~~ shall contract for a

1 financial intermediary, pursuant to Section 8290.1, by January 1,
2 2001.

3 (b) The financial intermediary, during its first six months of
4 operation, shall do all of the following:

5 (1) Create and publicize an 800 technical assistance telephone
6 service number.

7 (2) Provide financial development training for agencies at the
8 local level including, but not limited to, Regional Resource Centers,
9 Resource and Referral Agencies, and local child care planning
10 councils that are assisting existing and potential providers renovate,
11 expand, build, or purchase facilities.

12 (3) Determine the financing barriers and impediments to the
13 development of child care facilities, especially in underserved
14 areas of the state.

15 (4) Identify funding sources that may be leveraged by the state,
16 and partnerships with the philanthropic and corporate sectors that
17 may be established, with the goal of increasing funding available
18 for child care facilities for California's CalWORKs and low-income
19 families.

20 *SEC. 56. Section 8279.7 of the Education Code is amended*
21 *and renumbered to read:*

22 *8279.7.*

23 8303. (a) The Legislature recognizes the importance of
24 providing quality ~~child care~~ *early learning and educational support*
25 services. It is, therefore, the intent of the Legislature to assist
26 counties in improving the retention *and instructional effectiveness*
27 of qualified ~~child care~~ *instructional* employees who work directly
28 with children who receive state-subsidized ~~child care~~ *early learning*
29 *and educational support* services.

30 (b) It is further the intent of the Legislature, in amending this
31 section during the 2009–10 Regular Session, to address the unique
32 challenges of the County of Los Angeles, in which an estimated
33 60,000 low-income children receive subsidized child care in
34 nonstate-funded child care settings and an additional 50,000
35 eligible children are waiting for subsidized services.

36 (c) (1) Except as provided in paragraph (2), the funds
37 appropriated for the purposes of this section by paragraph (11) of
38 Schedule (b) of Item 6110-196-0001 of Section 2.00 of the Budget
39 Act of 2000 (Chapter 52 of the Statutes of 2000), and that are
40 described in subdivision (i) of Provision 7 of that item, and any

1 other funds appropriated for purposes of this section, shall be
2 allocated to local child care and development planning councils
3 based on the percentage of state-subsidized, ~~center-based child~~
4 ~~care~~ *direct classroom early learning and educational support*
5 *program* funds received in that county, and shall be used to address
6 the retention of qualified ~~child-care~~ *instructional* employees in
7 state-subsidized ~~child-care~~ *early learning and educational support*
8 centers.

9 (2) Of the funds identified in paragraph (1), funds qualified
10 pursuant to subparagraphs (A) to (C), inclusive, may also be used
11 to address the retention *and instructional effectiveness* of qualified
12 persons working in licensed ~~child-care~~ *early learning and*
13 *educational support* programs *and* that serve a majority of children
14 who receive *direct classroom* subsidized ~~child-care~~ services
15 pursuant to this chapter, including, but not limited to, family-day
16 care homes as defined in Section 1596.78 of the Health and Safety
17 Code. To qualify for use pursuant to this paragraph, the funds shall
18 meet all of the following requirements:

19 (A) The funds are allocated for use in the County of Los
20 Angeles.

21 (B) The funds are appropriated in the annual Budget Act.

22 (C) The funds are unexpended after addressing the retention of
23 qualified ~~child-care~~ employees in state-subsidized child care centers
24 and family child care home education networks.

25 (d) The department shall develop guidelines for use by local
26 ~~child-care and development~~ planning councils in developing county
27 plans for the expenditure of funds allocated pursuant to this section.
28 These guidelines shall be consistent with the department's
29 assessment of the current needs of the subsidized child care
30 workforce, and shall be subject to the approval of the Department
31 of Finance. Any county plan developed pursuant to these guidelines
32 shall be approved by the department ~~prior to~~ *before* the allocation
33 of funds to the local child care and development planning council.

34 (e) Funds provided to a county for the purposes of this section
35 shall be used in accordance with the plan approved pursuant to
36 subdivision (d). A county with an approved plan may retain up to
37 1 percent of the county's total allocation made pursuant to this
38 section for reimbursement of administrative expenses associated
39 with the planning process.

1 (f) The Superintendent shall provide an annual report, no later
2 than April 10 of each year, to the Legislature, the Department of
3 Finance, and the Governor that includes, but is not limited to, a
4 summary of the distribution of the funds by county and a
5 description of the use of the funds.

6 *SEC. 57. The heading of Article 7 (commencing with Section*
7 *8285) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of*
8 *the Education Code, to read:*

9
10 *Article 7. Resource and Referral Programs*

11
12 *SEC. 58. Article 14 (commencing with Section 8286) of Chapter*
13 *2 of Part 6 of Division 1 of Title 1 of the Education Code is*
14 *repealed.*

15 *SEC. 59. Section 8292 is added to the Education Code, to read:*

16 *8292. A licensed provider shall submit to the local resource*
17 *and referral agency a copy of the provider's rate sheet listing rates*
18 *charged and the provider's discount or scholarship policies, if*
19 *any, and shall self-certify that the information is correct.*

20 *SEC. 60. Section 8293 is added to the Education Code, to read:*

21 *8293. (a) A program operating pursuant to this article shall,*
22 *within two business days of receiving notice, remove a licensed*
23 *child care facility with a revocation or a temporary suspension*
24 *order or that is on probation from the agency's referral list.*

25 *(b) A program operating pursuant to this article shall, within*
26 *two business days of receiving notice, notify all entities operating*
27 *a program pursuant to Article 4 (commencing with Section 8240)*
28 *and Article 4.5 (commencing with Section 8252), in the program's*
29 *jurisdiction, of a licensed child care facility with a revocation or*
30 *a temporary suspension order, or that is on probation.*

31 *SEC. 61. The heading of Article 8 (commencing with Section*
32 *8296) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of*
33 *the Education Code, to read:*

34
35 *Article 8. Family Literacy*

36
37 *SEC. 62. The heading of Article 9 (commencing with Section*
38 *8300) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of*
39 *the Education Code, to read:*

1 Article 9. Local Planning Councils

2
3 SEC. 63. The heading of Article 10 (commencing with Section
4 8305) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of
5 the Education Code, to read:

6
7 Article 10. Child Development Permits

8
9 SEC. 64. Article 11 (commencing with Section 8310) is added
10 to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education
11 Code, to read:

12
13 Article 11. Administration

14
15 8310. (a) The Legislature finds and declares that the
16 effectiveness of early learning and educational support programs
17 can be increased through improved state administration, technical
18 assistance to provider agencies, and monitoring.

19 (b) It is the intent of the Legislature:

20 (1) That the department develops clear, consistent, and
21 appropriate regulations for early learning and educational support
22 programs.

23 (2) That the department makes better use of staff with direct
24 field experience in early learning and educational support
25 programs.

26 (3) That criteria be developed for the awarding, evaluating,
27 and renewal of early learning and educational support contracts.

28 (4) That improvements be made in the method of reimbursing
29 providers.

30 (5) That increased effort be made to provide program operators
31 with technical assistance in meeting their contractual obligations.

32 8311. (a) The department is hereby designated as the single
33 state agency responsible for the promotion, development, and
34 provision of care of children in the absence of their parents during
35 the workday or while engaged in other activities that require
36 assistance of a third party or parties. The department shall
37 administer the federal Child Care and Development Fund.

38 (b) For purposes of this article, "Child Care and Development
39 Fund" has the same meaning as in Section 98.2 of Title 45 of the
40 Code of Federal Regulations.

1 8312. (a) *The Superintendent shall collaborate with the*
2 *Secretary of California Health and Human Services in the*
3 *development of the Child Care and Development Fund plan*
4 *pursuant to federal regulations, before submitting or reporting on*
5 *that plan to the United States Secretary of Health and Human*
6 *Services.*

7 (b) *As required by federal law, the department shall develop*
8 *the Child Care and Development Fund plan that sets forth the*
9 *final priorities for child care. The department shall coordinate*
10 *with applicable state agencies including, but not limited to, the*
11 *State Department of Social Services, the California Children and*
12 *Families Commission, the Department of Finance, and other*
13 *stakeholders, to develop the Child Care and Development Fund*
14 *(CCDF) Plan.*

15 (c) *On or before February 1 of the year that the CCDF Plan is*
16 *due to the federal government, the department shall release a draft*
17 *of the plan. The department shall then commence a 30-day*
18 *comment period that shall include at least one hearing and the*
19 *opportunity for written comments.*

20 (d) *Before the May Revision to the budget, the department shall*
21 *provide the revised CCDF Plan to the chairs of the committees of*
22 *each house of the Legislature that consider appropriations, and*
23 *shall provide a report on the plan to the committees in each house*
24 *of the Legislature that consider the annual Budget Act*
25 *appropriation.*

26 8313. *The Superintendent shall consult with the Commission*
27 *on Teacher Credentialing and the office of the Chancellor of the*
28 *California Community Colleges in development of the state plan,*
29 *where appropriate.*

30 8314. *For purposes of meeting state and federal reporting*
31 *requirements and for the effective administration of early learning*
32 *and educational support programs, the Superintendent is*
33 *authorized to require the collection and submission of social*
34 *security numbers of heads of households, and other information*
35 *as required, from public and private agencies contracting with the*
36 *department pursuant to this chapter, including local educational*
37 *agencies.*

38 8315. (a) *To the extent that funding is made available for this*
39 *purpose through the annual Budget Act, the alternative payment*
40 *agency in each county shall design, maintain, and administer a*

1 system to consolidate local child care waiting lists so as to
2 establish a countywide centralized eligibility list. In those counties
3 with more than one alternative payment agency, the agency that
4 also administers the resource and referral program shall have the
5 responsibility of developing, maintaining, and administering the
6 countywide centralized eligibility list. In those counties with more
7 than one alternative payment agency and more than one resource
8 and referral program, the department shall establish a process to
9 select an agency to develop, maintain, and administer the
10 countywide centralized eligibility list.

11 (b) Notwithstanding subdivision (a), in those counties in which
12 a countywide centralized eligibility list exists, as of the date that
13 the act adding this section is enacted, the entity administering that
14 list may receive funding, instead of the entity specified under
15 subdivision (a).

16 (c) Each centralized eligibility list shall include all of the
17 following:

18 (1) Family characteristics, including ZIP Code of residence,
19 ZIP Code of employment, monthly income, and size.

20 (2) Child characteristics, including birth date and whether the
21 child has special needs.

22 (3) Service characteristics, including reason for need, whether
23 full-time or part-time service is requested, and whether after hours
24 or weekend care is requested.

25 (d) Information collected for the centralized eligibility list shall
26 be reported to the Superintendent on an annual basis on the date
27 and in the manner determined by the department.

28 (e) (1) To be eligible to enter into an agreement with the
29 department to provide subsidized child care, a contractor shall
30 participate in and use the centralized eligibility list.

31 (2) A contractor with a campus child care and development
32 program operating pursuant to Section 66060, program operating
33 on a seasonal basis providing services to a migrant population
34 pursuant to Sections 8221 to 8224, inclusive, or program serving
35 severely disabled children pursuant to subdivision (d) of Section
36 8230 and who has a local site waiting list shall submit eligibility
37 list information to the centralized eligibility list administrator for
38 any parent seeking subsidized services for whom these programs
39 are not able to provide services. A contractor or program described
40 in this paragraph may use any waiting lists developed at its local

1 *site to fill vacancies for its specific population. Families enrolled*
2 *from a local site waiting list shall be enrolled pursuant to Section*
3 *8212.*

4 *8316. (a) No person employed by the department in a*
5 *policymaking position in the area of early learning and educational*
6 *support programs shall serve as a member of the board of*
7 *directors, advisory council, or advisory committee for any agency*
8 *receiving funds pursuant to this chapter.*

9 *(b) No retired, dismissed, separated, or formerly employed*
10 *person of the department employed under the State Civil Service*
11 *or otherwise appointed to serve in the department may enter into*
12 *a contract pursuant to Section 8326 in which he or she engaged*
13 *in any of the negotiations, transactions, planning, arrangements,*
14 *or any part of the decisionmaking process relevant to the contract*
15 *while employed in any capacity by the department. The prohibition*
16 *contained in this subdivision shall apply to the person only during*
17 *the two-year period beginning on the date the person left state*
18 *employment.*

19 *(c) For a period of 12 months following the date of his or her*
20 *retirement, dismissal, or separation from state service, no person*
21 *employed under State Civil Service or otherwise appointed to serve*
22 *in the department may enter into a contract pursuant to Section*
23 *8326 if he or she was employed by the department in a*
24 *policymaking position in the area of early learning and educational*
25 *support programs within the 12-month period before his or her*
26 *retirement, dismissal, or separation.*

27 *(d) For a period of 12 months following the date of his or her*
28 *retirement, dismissal, or separation from state service, no person*
29 *employed under State Civil Service or otherwise appointed to serve*
30 *in the department may be employed by a contractor pursuant to*
31 *Section 8326 if he or she engaged in any of the negotiations,*
32 *transactions, planning, arrangements, or any part of the*
33 *decisionmaking process relevant to the contract while employed*
34 *in any capacity by the department.*

35 *8317. The Superintendent may provide outreach services and*
36 *technical assistance to new applicants or contracting agencies*
37 *and to those providing services during nontraditional times, in*
38 *underserved geographic areas, and for children with special child*
39 *care needs, including infants and toddlers less than three years of*
40 *age.*

1 8318. (a) *If a state of emergency is declared by the Governor,*
2 *the Superintendent may waive any requirements of this code or*
3 *regulations adopted pursuant to this code relating to early learning*
4 *and educational support and child nutrition programs operated*
5 *pursuant to this chapter only to the extent that enforcement of the*
6 *regulations or requirements would directly impede disaster relief*
7 *and recovery efforts or would disrupt the current level of service*
8 *in early learning and educational support programs.*

9 (b) *A waiver granted pursuant to subdivision (a) shall not exceed*
10 *45 calendar days.*

11 (c) *For purposes of this section, “state of emergency” includes*
12 *fire, flood, earthquake, or a period of civil unrest.*

13 (d) *If a request for a waiver pursuant to subdivision (a) is for*
14 *an early learning and educational support program or child*
15 *nutrition program that receives federal funds and the waiver may*
16 *be inconsistent with the state plan or any federal law or regulations*
17 *governing the program, the Superintendent shall seek and obtain*
18 *approval of the waiver from the appropriate federal agency before*
19 *granting the waiver.*

20 8319. (a) *The Superintendent shall adopt rules and regulations*
21 *pursuant to this chapter. The rules and regulations shall include,*
22 *but not be limited to, provisions that do all of the following:*

23 (1) *Provide clear guidelines for the selection of agencies when*
24 *early learning and educational support contracts are let, including,*
25 *but not limited to, a specification that any agency headquartered*
26 *in the proposed service area on January 1, 1985, will be given*
27 *priority for a new contract in that area, unless the department*
28 *makes a written determination that (A) the agency is not able to*
29 *deliver the level of services specified in the request for proposal,*
30 *or (B) the department has notified the agency that it is not in*
31 *compliance with the terms of its contract.*

32 (2) *Provide for a contract monitoring system to ensure that*
33 *agencies expend funds received pursuant to this chapter in*
34 *accordance with the provisions and program narratives of their*
35 *contracts.*

36 (3) *Specify adequate standards of agency performance.*

37 (4) *Establish reporting requirements for service reports,*
38 *including provisions for varying the frequency with which these*
39 *reports are to be submitted on the basis of agency performance.*

1 (5) *Specify standards for withholding payments to agencies that*
2 *fail to submit required fiscal reports.*

3 (6) *Set forth standards for department site visits to contracting*
4 *agencies, including, but not limited to, specification as to the*
5 *purpose of the visits, the personnel that will perform these visits,*
6 *and the frequency of these visits that shall be as frequently as staff*
7 *and budget resources permit. By September 1 of each year, the*
8 *department shall report to the Senate Education, Senate Health,*
9 *Senate Human Services, Assembly Education, and Assembly*
10 *Human Services Committees on the number of visits conducted*
11 *during the previous fiscal year pursuant to this paragraph.*

12 (7) *Permit reimbursement for interest paid by contractors on*
13 *private sector debt financing for purchase, lease-purchase, repair,*
14 *or renovation of facilities owned or leased by contractors operating*
15 *direct classroom service, pursuant to Section ____.*

16 (8) *Facilitate the funding and reimbursement procedures*
17 *required by Sections ____ and ____.*

18 (b) *The Superintendent shall consult with the State Department*
19 *of Social Services with respect to rules and regulations adopted*
20 *relative to the disbursal of federal funds under Title XX of the*
21 *federal Social Security Act.*

22 (c) *For purposes of expediting the implementation of state or*
23 *federal legislation to expand child care services, the Superintendent*
24 *may waive (1) the regulations regarding the point qualifications*
25 *for, and the process and scoring of, interviews of contract*
26 *applicants pursuant to Section 18002 of Title 5 of the California*
27 *Code of Regulations, or (2) the time limitations for scheduling and*
28 *notification of appeal hearings and their results pursuant to Section*
29 *18003 of Title 5 of the California Code of Regulations. The*
30 *Superintendent shall ensure that the appeal hearings provided for*
31 *in Section 18003 of Title 5 of the California Code of Regulations*
32 *are conducted in a timely manner.*

33 (d) *Early learning and educational support programs operated*
34 *under contract from funds made available pursuant to the federal*
35 *Child Care and Development Fund, shall be administered*
36 *according to Division 19 (commencing with Section 17906) of*
37 *Chapter 1 of Title 5 of the California Code of Regulations, unless*
38 *provisions of these regulations conflict with federal regulations.*
39 *If state and federal regulations conflict, the federal regulations*
40 *shall apply unless a waiver of federal regulations is authorized.*

1 SEC. 65. *The heading of Article 15 (commencing with Section*
2 *8320) of Chapter 2 of Part 6 of Division 1 of Title 1 of the*
3 *Education Code is repealed.*

4

5

Article 15. Local Programs

6

7 SEC. 66. *Section 8320 of the Education Code is amended and*
8 *renumbered to read:*

9 ~~8320.~~

10 8408. The governing board of any school district or a county
11 superintendent of schools with the approval of the county board
12 of education is authorized to establish and maintain ~~child~~
13 ~~development~~ *early learning and educational support* programs
14 *and centers* upon the approval of, and subject to the regulations
15 of the Superintendent of ~~Public Instruction~~.

16 SEC. 67. *Section 8321 of the Education Code is amended and*
17 *renumbered to read:*

18 ~~8321.~~

19 8409. (a) The county superintendent of schools in each county,
20 with the approval of the county board of education and the
21 Superintendent of Public Instruction, shall have the authority to
22 establish and maintain ~~child development~~ *early learning and*
23 *educational support* programs and centers in the same manner and
24 to the same extent as governing boards of school or community
25 college districts, except that nothing in this section shall be
26 construed as vesting in the county superintendents of schools any
27 authority to alone effect the levy and collection of any county,
28 school, or other local taxes for the support of any ~~child~~
29 ~~development~~ *early learning and educational support* programs
30 and centers.

31 ~~The~~

32 (b) *The establishment and maintenance of any ~~child development~~*
33 *early learning and educational support* program and center by the
34 county superintendent of schools shall be undertaken, subject to
35 the prior approval of both the county board of education and the
36 Superintendent of Public Instruction, upon the application of one
37 or more school districts under his or her jurisdiction.

38 SEC. 68. *Section 8322 of the Education Code is amended and*
39 *renumbered to read:*

1 ~~8322.~~

2 8416. The governing board of any school district or the county
3 superintendent of schools may do the following:

4 (a) Accommodate in a child development facility maintained
5 by it children residing in another district, upon terms and under
6 conditions agreed upon by the governing boards of both districts.

7 (b) Permit the use of, and furnish maintenance for, buildings,
8 grounds, and equipment, and the use of existing administrative
9 personnel for the purposes of this chapter.

10 (c) Adopt reasonable rules and regulations governing the child
11 development services or facilities maintained by it that are not in
12 conflict with law or the standards and regulations established for
13 child development services by the Superintendent of Public
14 Instruction.

15 *SEC. 69. Section 8324 of the Education Code is amended and*
16 *renumbered to read:*

17 ~~8324.~~

18 8411. The employees of school districts or community college
19 districts, or county superintendents of schools in preschool and
20 other types of child development services under this division shall
21 have the same rights and privileges as are granted to employees
22 of the same agencies in children’s centers.

23 *SEC. 70. Article 12 (commencing with Section 8325) is added*
24 *to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education*
25 *Code, to read:*

26

27 *Article 12. Contract Administration*

28

29 8325. *The department shall do all of the following in*
30 *administering the provisions of this chapter:*

31 (a) *Apply sanctions against contracting agencies that have*
32 *serious licensing violations, as defined and reported by the State*
33 *Department of Social Services.*

34 (b) *Provide 90 days’ written notification to any contractor whose*
35 *agreement is being terminated, except if there is imminent danger*
36 *to the health and welfare of children if agency operation is not*
37 *terminated more promptly. Notwithstanding Sections 8337 to 8348,*
38 *inclusive, the department shall establish procedures for placing a*
39 *contractor whose agreement is being terminated into receivership.*
40 *Action to initiate receivership shall be at the discretion of the*

1 department, and may be taken against a contractor whose
2 agreement is being terminated either immediately or within 90
3 days. The receiver shall not be a department employee. The
4 receiver shall have sufficient experience in the administration of
5 early learning and educational support programs to ensure
6 compliance with the terms of the receivership.

7 8326. Notwithstanding Sections 14616 and 14780 of the
8 Government Code, the Superintendent may enter into and execute
9 local contractual agreements with any public or private entity or
10 agency for the delivery of early learning and educational support
11 services or the furnishing of property, facilities, personnel,
12 supplies, equipment, and administrative services related to the
13 delivery of early learning and educational support services.

14 8327. A contractor providing services pursuant to this chapter
15 is subject to the requirements of the Americans with Disabilities
16 Act (42 U.S.C. Sec. 12101 et seq.).

17 8328. (a) In contract transfer situations in programs funded
18 pursuant to this chapter, the Superintendent may grant a certificate
19 of operation to child care and development facilities pursuant to
20 this section.

21 (b) For purposes of maintaining continuity of services to
22 children and receipt of state and federal child nutrition and child
23 development funding, the Superintendent may grant a certificate
24 of operation to any child care and development facility that meets
25 all of the following conditions:

26 (1) The Superintendent, or his or her designee, has visited the
27 facility and verified, in writing, to the State Department of Social
28 Services licensing agency that the facility has no deficiencies at
29 the time of granting the certificate of operation that would
30 endanger the physical health, mental health, safety, or welfare of
31 the children.

32 (2) Without a certificate of operation in lieu of a license from
33 the State Department of Social Services, the facility would be
34 ineligible to receive state and federal child nutrition or child
35 development funds.

36 (c) A facility issued a certificate of operation pursuant to this
37 section shall be deemed to be operating under licensing standards
38 for child care and development facilities specified by Chapters 3.4
39 (commencing with Section 1596.70), 3.5 (commencing with Section
40 1596.90), and 3.6 (commencing with Section 1597.30) of Division

1 2 of the Health and Safety Code and by Title 22 of the California
2 Code of Regulations for the term specified on the certificate.

3 (d) A facility granted a certificate of operation shall submit a
4 completed license application to the State Department of Social
5 Services or other designated local agency within 15 working days
6 of the issuance of the certificate of operation. Failure to meet this
7 requirement will result in the cancellation of the certificate of
8 operation. The certificate of operation shall expire upon the
9 issuance or denial of a license by the State Department of Social
10 Services.

11 8329. (a) Notwithstanding any other law, effective July 1,
12 2011, the department shall reduce the maximum reimbursable
13 amounts of the contracts for the Preschool Education Program,
14 the General Child Care Program, the Migrant Day Care Program,
15 the Alternative Payment Program, the CalWORKs Stage 3
16 Program, and the Allowance for Handicapped Program by 11
17 percent or by whatever proportion is necessary to ensure that
18 expenditures for these programs do not exceed the amounts
19 appropriated for them, including any reductions made subsequent
20 to the adoption of the annual Budget Act. The department may
21 consider the contractor's performance or whether the contractor
22 serves children in underserved areas as defined in subdivision (a)
23 of Section 8208 when determining contract reductions, provided
24 that the aggregate reduction to each program specified in this
25 subdivision is 11 percent or by whatever proportion is necessary
26 to ensure that expenditures for these programs do not exceed the
27 amounts appropriated for them, including any reductions made
28 subsequent to the adoption of the annual Budget Act.

29 (b) Notwithstanding any other law, effective July 1, 2011,
30 families shall be disenrolled from subsidized child care services,
31 consistent with the priorities for services specified in Section 8212.
32 Families shall be disenrolled in the following order:

33 (1) Families whose income exceeds 70 percent of the state
34 median income (SMI) adjusted for family size, except for families
35 whose children are receiving child protective services or are at
36 risk of being neglected or abused.

37 (2) Families with the highest income below 70 percent of the
38 SMI, in relation to family size.

39 (3) Families that have the same income and have been enrolled
40 in child care services the longest.

1 (4) Families that have the same income and have a child with
2 exceptional needs.

3 (5) Families whose children are receiving child protective
4 services or are at risk of being neglected or abused, regardless of
5 family income.

6 8330. (a) Notwithstanding any other law, and in addition to
7 any reductions applied pursuant to Section 8329, effective July 1,
8 2012, the department shall reduce the maximum reimbursable
9 amounts of the contracts for the General Child Care Program, the
10 Migrant Day Care Program, the Alternative Payment Program,
11 the CalWORKs Stage 3 Program, and the Allowance for
12 Handicapped Program by 8.7 percent or by whatever proportion
13 is necessary to ensure that expenditures for these programs do not
14 exceed the amounts appropriated for them, as adjusted for any
15 reductions in appropriations made subsequent to the adoption of
16 the annual Budget Act. The department may consider the
17 contractor's performance or whether the contractor serves children
18 in underserved areas as defined in subdivision (at) of Section 8208
19 when determining contract reductions, provided that the aggregate
20 reduction to each program specified in this subdivision is 8.7
21 percent or whatever proportion is necessary to ensure that
22 expenditures for these programs do not exceed the amounts
23 appropriated for them, as adjusted for any reductions in
24 appropriations made subsequent to the adoption of the annual
25 Budget Act.

26 (b) Notwithstanding any other law, effective July 1, 2012,
27 families shall be disenrolled from subsidized child care services,
28 consistent with the priorities for services specified in Section 8212.
29 Families shall be disenrolled in the following order:

30 (1) Families with the highest income in relation to family size.

31 (2) Families that have the same income and have been enrolled
32 in child care services the longest.

33 (3) Families that have the same income and have a child with
34 exceptional needs.

35 (4) Families whose children are receiving child protective
36 services or are at risk of being neglected or abused, regardless of
37 family income.

38 8331. (a) The rules, regulations, and guidelines adopted by
39 the Superintendent pursuant to Sections 8319 and 8352 shall permit
40 reimbursement for interest paid by contractors on private sector

1 *debt financing for the purchase, lease-purchase, repair, or*
2 *renovation of child care and development facilities owned or leased*
3 *by contractors providing center-based care.*

4 *(b) The Superintendent shall adopt regulations requiring*
5 *contractors to demonstrate that the amount of interest paid in a*
6 *year on private sector debt financing for the purposes identified*
7 *in subdivision (a) does not exceed the value obtained by the state*
8 *in the use of the facilities during the year for the early learning*
9 *and educational support programs. The regulations shall include,*
10 *but not be limited to, the following methods of making this*
11 *demonstration:*

12 *(1) Amortization of a loan or lease-purchase contract on a*
13 *straight-line basis for the purchase price of a portable building,*
14 *including any transportation charges, installation charges, loan*
15 *fees, taxes, points, or other fees associated with the purchase, over*
16 *a period of 15 years or more.*

17 *(2) Amortization of a loan or lease-purchase contract on a*
18 *straight-line basis for the purchase price of a permanent building*
19 *and real estate, including any loan fees, taxes, points, or other*
20 *fees associated with the purchase, over a period of 15 years or*
21 *more.*

22 *(3) Evidence acceptable to the Superintendent that loan*
23 *payments for the purchase of a portable building or permanent*
24 *building and real estate, including principal and interest, do not*
25 *exceed the fair market rental cost that the contractor would have*
26 *paid if the property was not purchased.*

27 *(c) Loans or lease-purchase agreements amortized over the*
28 *number of years designated in subdivision (b), but due in a fewer*
29 *number of years, shall not be disallowed because of the shorter*
30 *due date.*

31 *SEC. 71. Section 8326 of the Education Code is amended and*
32 *renumbered to read:*

33 ~~8326.~~

34 *8412. Notwithstanding any other provisions of this chapter, a*
35 *public or private agency, a school district, a community college*
36 *district or a county superintendent of schools operating child*
37 *development facilities may enter into an agreement with the*
38 *Employment Development Department—~~which~~ that will provide*
39 *an opportunity to participants in work incentive programs under*
40 *Division 2 (commencing with Section 5000) of the Unemployment*

1 Insurance Code for training in child development facilities.
2 Training pursuant to such agreement shall have the objective of
3 preparation for a career in the field of child development.

4 *SEC. 72. Section 8327 of the Education Code is amended and*
5 *renumbered to read:*

6 ~~8413.~~

7 *8410.* Notwithstanding any other provision of this chapter, the
8 governing board of a school district or community college district,
9 county superintendent of schools, or other unit of local general
10 purpose government may enter into agreements with any city, city
11 and county, or other public agency, or with a private foundation,
12 nonprofit corporation, or proprietary agency as defined in
13 subdivision ~~(ah)~~ (ai) of Section 8208 for the furnishing to, or use
14 by, the governing board, county superintendent of schools, or other
15 unit of local general purpose government in carrying out the
16 provisions of this chapter, of property, facilities, personnel,
17 supplies, equipment and other necessary items and such city,
18 county, city and county, other public agency, or private foundation
19 or nonprofit corporation, is authorized to enter into such
20 agreements.

21 *SEC. 73. Section 8329 of the Education Code is amended and*
22 *renumbered to read:*

23 ~~8329.~~

24 *8413.* The governing board of any school district maintaining
25 ~~a child development~~ *an early learning and educational support*
26 program may include in its budget the amount necessary to initiate,
27 operate, and maintain ~~a child development~~ program pursuant to
28 this chapter and the board of supervisors shall levy a school district
29 tax necessary to raise that amount. The tax shall be in addition to
30 any other school district tax authorized by law to be levied.

31 *SEC. 74. Section 8330 of the Education Code is amended and*
32 *renumbered to read:*

33 ~~8330.~~

34 *8414.* Community college districts that levied child
35 development permissive override taxes pursuant to Section ~~8329~~
36 *8413* of the Education Code and former Section 8330 of the
37 Education Code in the 1977–78 fiscal year and received fiscal
38 relief pursuant to Chapter 282 of the Statutes of 1979 to
39 compensate for the loss of permissive override taxes shall not
40 receive reimbursement for child care services from the

1 Superintendent of Public Instruction in excess of 75 percent of the
 2 standard reimbursement rate for campus child care programs.
 3 Campus child care programs operated by the University of
 4 California, the California State University, and community colleges
 5 that did not levy a permissive override tax in the 1977–78 fiscal
 6 year shall receive reimbursement from the Superintendent of Public
 7 Instruction that equals 100 percent of the standard reimbursement
 8 rate for campus child care and development programs.

9 *SEC. 75. Section 8331 of the Education Code is amended and*
 10 *renumbered to read:*

11 ~~8331.~~

12 ~~8415. Sections 8329 8413 and 8330 8414 shall not apply to~~
 13 ~~the part-day preschool programs described in subdivision (f) of~~
 14 ~~Section 8211.~~

15 *SEC. 76. The heading of Article 15.2 (commencing with Section*
 16 *8335) of Chapter 2 of Part 6 of Division 1 of Title 1 of the*
 17 *Education Code is repealed.*

18

19 ~~Article 15.2. Child Care Subsidy Plan for the City and County~~
 20 ~~of San Francisco~~

21

22 *SEC. 77. Section 8335 of the Education Code is amended and*
 23 *renumbered to read:*

24 ~~8335.~~

25 ~~8490. The City and County of San Francisco may, as a pilot~~
 26 ~~project, develop and implement an individualized county child~~
 27 ~~care subsidy plan. The plan shall ensure that child care subsidies~~
 28 ~~received by the city and county are used to address local needs,~~
 29 ~~conditions, and priorities of working families in the community.~~

30 *SEC. 78. Section 8335.1 of the Education Code is amended*
 31 *and renumbered to read:*

32 ~~8335.1.~~

33 ~~8490.1. Prior to~~ *Before* implementing the local subsidy plan,
 34 the City and County of San Francisco, in consultation with the
 35 department, shall develop an individualized county child care
 36 subsidy plan for the city and county that includes the following
 37 four elements:

38 (a) An assessment to identify the city and county’s goal for its
 39 subsidized child care system. The assessment shall examine
 40 whether the current structure of subsidized child care funding

1 adequately supports working families in the city and county and
2 whether the city and county's child care goals coincide with the
3 state's requirements for funding, eligibility, priority, and
4 reimbursement. The assessment shall also identify barriers in the
5 state's child care subsidy system that inhibit the city and county
6 from meeting its child care goals. In conducting the assessment,
7 the city and county shall consider all of the following:

8 (1) The general demographics of families who are in need of
9 child care, including employment, income, language, ethnic, and
10 family composition.

11 (2) The current supply of available subsidized child care.

12 (3) The level of need for various types of subsidized child care
13 services including, but not limited to, infant care, after-hours care,
14 and care for children with exceptional needs.

15 (4) The city and county's self-sufficiency income level.

16 (5) Income eligibility levels for subsidized child care.

17 (6) Family fees.

18 (7) The cost of providing child care.

19 (8) The regional market rates, as established by the department,
20 for different types of child care.

21 (9) The standard reimbursement rate or state per diem for centers
22 operating under contracts with the department.

23 (10) Trends in the county's unemployment rate and housing
24 affordability index.

25 (b) Development of a local policy to eliminate state-imposed
26 regulatory barriers to the city and county's achievement of its
27 desired outcomes for subsidized child care.

28 (1) The local policy shall do all of the following:

29 (A) Prioritize lowest income families first.

30 (B) Follow the family fee schedule established pursuant to
31 ~~subdivision (f) of Section 8263~~ *Section 8216* for those families
32 that are income eligible, as defined by ~~Section 8263.1~~ *8211*.

33 (C) Meet local goals that are consistent with the state's child
34 care goals.

35 (D) Identify existing policies that would be affected by the city
36 and county's child care subsidy plan.

37 (E) (i) Authorize any agency that provides child care and
38 development services in the city and county through a contract
39 with the department to apply to the department to amend existing
40 contracts in order to benefit from the local policy once it is adopted.

1 (ii) The department shall approve an application to amend an
2 existing contract if the child care subsidy plan is approved pursuant
3 to subdivision (b) of Section ~~8335.3~~ 8490.3, or modified pursuant
4 to subdivision (c) of Section ~~8335.3~~ 8490.3.

5 (iii) The contract of a department contractor who does not elect
6 to request an amendment to its contract remains operative and
7 enforceable.

8 (2) (A) The city and county shall, by the end of the first fiscal
9 year of operation under the approved child care subsidy plan,
10 demonstrate an increase in the aggregate child days of enrollment
11 in the county as compared to the enrollment in the final quarter of
12 the 2004-05 fiscal year.

13 (B) The amount of the increase shall be at least equal to the
14 aggregate child days of enrollment in the final quarter of the
15 2004-05 fiscal year for all contracts amended as provided in
16 subparagraph (E) of paragraph (1), under which the contractor
17 receives an increase in its reimbursement rate, times 2 percent.

18 (3) The local policy may supersede state law concerning child
19 care subsidy programs with regard only to the following factors:

20 (A) Eligibility criteria including, but not limited to, age, family
21 size, time limits, income level, inclusion of former and current
22 CalWORKs participants, and special needs considerations, except
23 that the local policy may not deny or reduce eligibility of a family
24 that qualifies for child care pursuant to Section ~~8353~~ 8254.5. Under
25 the local policy, a family that qualifies for child care pursuant to
26 Section ~~8354~~ 8255 shall be treated for purposes of eligibility and
27 fees in the same manner as a family that qualifies for subsidized
28 child care on another basis pursuant to the local policy.

29 (B) Fees including, but not limited to, family fees, sliding scale
30 fees, and copayments for those families that are not income eligible,
31 as defined by Section ~~8263.1~~ 8211.

32 (C) Reimbursement rates.

33 (D) Methods of maximizing the efficient use of subsidy funds,
34 including, but not limited to, multiyear contracting with the
35 department for center-based child care, and interagency agreements
36 that allow for flexible and temporary transfer of funds among
37 agencies.

38 (c) Recognition that all funding sources utilized by direct service
39 contractors that provide child care and development services in

1 the city and county are eligible to be included in the child care
2 subsidy plan of the city and county.

3 (d) Establishment of measurable outcomes to evaluate the
4 success of the plan to achieve the city and county's child care goals
5 and to overcome any barriers identified in the state's child care
6 subsidy system. The State Department of Social Services shall
7 have an opportunity to review and comment on the proposed
8 measurable outcomes before they are submitted to the local child
9 care planning council for approval pursuant to Section ~~8335.3~~
10 ~~8490.3~~.

11 *SEC. 79. Section 8335.2 of the Education Code is amended*
12 *and renumbered to read:*

13 ~~8335.2.~~

14 ~~8490.2.~~ To ensure that the annual and final reports required
15 pursuant to Section ~~8335.4~~ ~~8490.4~~ provide useful comparative
16 information, the Legislative Analyst and the Senate Office of
17 Research shall review the evaluation design, the baseline data, and
18 the data collection proposed in the child care subsidy plan of the
19 City and County of San Francisco before the plan is submitted to
20 the local planning council as defined in subdivision (g) of Section
21 8499, for approval pursuant to Section ~~8335.3~~ ~~8490.3~~.

22 *SEC. 80. Section 8335.3 of the Education Code is amended*
23 *and renumbered to read:*

24 ~~8335.3.~~

25 ~~8490.3.~~ (a) The plan shall be submitted to the local planning
26 council as defined in subdivision (g) of Section 8499, for approval.
27 Upon approval of the plan by the local planning council, the Board
28 of Supervisors of the City and County of San Francisco shall hold
29 at least one public hearing on the plan. Following the hearing, if
30 the board of supervisors votes in favor of the plan, the plan shall
31 be submitted to the Child Development Division of the department
32 for review.

33 (b) Within 30 days of receiving the plan, the Child Development
34 Division shall review and either approve or disapprove the plan.

35 (c) Within 30 days of receiving any modification to the plan,
36 the Child Development Division shall review and either approve
37 or disapprove that modification to the plan.

38 (d) The Child Development Division may disapprove only those
39 portions of the plan or modifications to the plan that are not in

1 conformance with this article or that are in conflict with federal
2 law.

3 *SEC. 81. Section 8335.4 of the Education Code is amended*
4 *and renumbered to read:*

5 ~~8335.4.~~

6 8490.4. (a) Upon approval of the plan by the Child
7 Development Division of the department, the City and County of
8 San Francisco shall annually prepare and submit to the Legislature,
9 the State Department of Social Services, and the department a
10 report that summarizes the success of the pilot project and the city
11 and county's ability to maximize the use of funds and to improve
12 and stabilize child care in the city and county.

13 (b) The City and County of San Francisco shall submit an
14 interim report to the Legislature, the State Department of Social
15 Services, and the department on or before December 31, 2010,
16 and shall submit a final report to those entities on or before June
17 30, 2014, summarizing the impact of the plan on the child care
18 needs of working families in the city and county.

19 *SEC. 82. Section 8335.5 of the Education Code is amended*
20 *and renumbered to read:*

21 ~~8335.5.~~

22 8490.5. The City and County of San Francisco may implement
23 an individualized child care subsidy plan until July 1, 2014, at
24 which date the city and county shall terminate the plan. Between
25 July 1, 2014, and July 1, 2016, the city and county shall phase out
26 the individualized county child care subsidy plan and, as of July
27 1, 2016, shall implement the state's requirements for child care
28 subsidies. A child enrolling for the first time for subsidized child
29 care in the city and county after July 1, 2014, shall not be enrolled
30 in the pilot program established pursuant to this article and is
31 subject to existing state laws and regulations regarding child care
32 eligibility and priority.

33 *SEC. 83. Section 8335.6 of the Education Code is amended*
34 *and renumbered to read:*

35 ~~8335.6.~~

36 8490.6. A participating contractor shall receive any increase
37 or decrease in funding that the contractor would have received if
38 the contractor had not participated in the local subsidy plan
39 established by this article.

1 *SEC. 84. Section 8335.7 of the Education Code is amended*
 2 *and renumbered to read:*

3 ~~8335.7.~~

4 8490.7. This article shall become inoperative on July 1, 2016,
 5 and as of January 1, 2017, is repealed, unless a later enacted statute,
 6 that is enacted before January 1, 2017, deletes or extends the dates
 7 on which it becomes inoperative and is repealed.

8 *SEC. 85. The heading of Article 15.3 (commencing with Section*
 9 *8340) of Chapter 2 of Part 6 of Division 1 of Title 1 of the*
 10 *Education Code is repealed.*

11
 12 ~~Article 15.3. Individualized County Child Care Subsidy Plan~~

13
 14 *SEC. 86. Section 8340 of the Education Code is amended and*
 15 *renumbered to read:*

16 ~~8340.~~

17 8492. The County of San Mateo may, as a pilot project, develop
 18 and implement an individualized county child care subsidy plan.
 19 The plan shall ensure that child care subsidies received by the
 20 county are used to address local needs, conditions, and priorities
 21 of working families in the community.

22 *SEC. 87. Section 8341 of the Education Code is amended and*
 23 *renumbered to read:*

24 ~~8341.~~

25 8492.1. ~~Prior to~~ *Before* implementing the local subsidy plan,
 26 the County of San Mateo, in consultation with the department,
 27 shall develop an individualized county child care subsidy plan that
 28 includes the following four elements:

29 (a) An assessment to identify the county’s goal for its subsidized
 30 child care system. The assessment shall examine whether the
 31 current structure of subsidized child care funding adequately
 32 supports working families in the county and whether the county’s
 33 child care goals coincide with the state’s requirements for funding,
 34 eligibility, priority, and reimbursement. The assessment shall also
 35 identify barriers in the state’s child care subsidy system that inhibit
 36 the county from meeting its child care goals. In conducting the
 37 assessment, the county shall consider all of the following:

38 (1) The general demographics of families who are in need of
 39 child care, including employment, income, language, ethnic, and
 40 family composition.

- 1 (2) The current supply of available subsidized child care.
- 2 (3) The level of need for various types of subsidized child care
- 3 services including, but not limited to, infant care, after-hours care,
- 4 and care for children with exceptional needs.
- 5 (4) The county's self-sufficiency income level.
- 6 (5) Income eligibility levels for subsidized child care.
- 7 (6) Family fees.
- 8 (7) The cost of providing child care.
- 9 (8) The regional market rates, as established by the department,
- 10 for different types of child care.
- 11 (9) The standard reimbursement rate or state per diem for centers
- 12 operating under contracts with the department.
- 13 (10) Trends in the county's unemployment rate and housing
- 14 affordability index.
- 15 (b) Development of a local policy to eliminate state-imposed
- 16 regulatory barriers to the county's achievement of its desired
- 17 outcomes for subsidized child care.
- 18 (1) The local policy shall do all of the following:
- 19 (A) Prioritize lowest income families first.
- 20 (B) Follow the family fee schedule established pursuant to
- 21 ~~subdivision (f) of Section 8263~~ 8216 for those families that are
- 22 income eligible, as defined by ~~Section 8263.1~~ 8211.
- 23 (C) Meet local goals that are consistent with the state's child
- 24 care goals.
- 25 (D) Identify existing policies that would be affected by the
- 26 county's child care subsidy plan.
- 27 (E) (i) Authorize any agency that provides child care and
- 28 development services in San Mateo County through a contract
- 29 with the department to apply to the department to amend existing
- 30 contracts in order to benefit from the local policy once it is adopted.
- 31 (ii) The department shall approve an application to amend an
- 32 existing contract if the child care subsidy plan is approved pursuant
- 33 to subdivision (b) of ~~Section 8342~~ 8492.3, or modified pursuant
- 34 to subdivision (c) of ~~Section 8342~~ 8492.3.
- 35 (iii) The contract of a department contractor who does not elect
- 36 to request an amendment to its contract remains operative and
- 37 enforceable.
- 38 (2) (A) The County of San Mateo shall, by the end of the first
- 39 fiscal year of operation under the approved child care subsidy plan,
- 40 demonstrate an increase in the aggregate child days of enrollment

1 in the county as compared to the enrollment in the final quarter of
2 the 2002–03 fiscal year.

3 (B) The amount of the increase shall be at least equal to the
4 aggregate child days of enrollment in the final quarter of the
5 2002–03 fiscal year for all contracts amended as provided in
6 subparagraph (E) of paragraph 1, under which the contractor
7 receives an increase in its reimbursement rate, times 2 percent.

8 (3) The local policy may supersede state law concerning child
9 care subsidy programs with regard only to the following factors:

10 (A) Eligibility criteria including, but not limited to, age, family
11 size, time limits, income level, inclusion of former and current
12 CalWORKs participants, and special needs considerations, except
13 that the local policy may not deny or reduce eligibility of a family
14 that qualifies for child care pursuant to Section ~~8353~~ 8254.5. Under
15 the local policy, a family that qualifies for child care pursuant to
16 Section ~~8354~~ 8255 shall be treated for purposes of eligibility and
17 fees in the same manner as a family that qualifies for subsidized
18 child care on another basis pursuant to the local policy.

19 (B) Fees including, but not limited to, family fees, sliding scale
20 fees, and copayments for those families that are not income eligible,
21 as defined by Section ~~8263.1~~ 8211.

22 (C) Reimbursement rates.

23 (D) Methods of maximizing the efficient use of subsidy funds,
24 including, but not limited to, multiyear contracting with the
25 department for center-based child care, and interagency agreements
26 that allow for flexible and temporary transfer of funds among
27 agencies.

28 (c) Recognition that all funding sources utilized by direct service
29 contractors that provide child care and development services in
30 San Mateo County are eligible to be included in the child care
31 subsidy plan of the county.

32 (d) Establishment of measurable outcomes to evaluate the
33 success of the plan to achieve the county's child care goals and to
34 overcome any barriers identified in the state's child care subsidy
35 system. The Department of Social Services shall have an
36 opportunity to review and comment on the proposed measurable
37 outcomes before they are submitted to the local child care planning
38 council for approval pursuant to Section ~~8342~~ 8492.3.

39 *SEC. 88. Section 8341.5 of the Education Code is amended*
40 *and renumbered to read:*

1 ~~8341.5.~~

2 8492.2. To ensure that the annual and final reports required
3 pursuant to Section ~~8343~~ 8392.4 provide useful comparative
4 information, the Legislative Analyst and the Senate Office of
5 Research shall review the evaluation design, the baseline data, and
6 the data collection proposed in the child care subsidy plan of the
7 county before the plan is submitted to the local child care planning
8 council for approval.

9 *SEC. 89. Section 8342 of the Education Code is amended and*
10 *renumbered to read:*

11 ~~8342.~~

12 8492.3. (a) The plan shall be submitted to the local child care
13 planning council for approval. Upon approval of the plan by the
14 local child care planning council, the county board of supervisors
15 shall hold at least one public hearing on the plan. Following the
16 hearing, if the county board of supervisors votes in favor of the
17 plan, the plan shall be submitted to the Child Development Division
18 of the department for review.

19 (b) Within 30 days of receiving the plan, the Child Development
20 Division shall review and either approve or disapprove the plan.

21 (c) Within 30 days of receiving any modification to the plan,
22 the Child Development Division shall review and either approve
23 or disapprove that modification to the plan.

24 (d) The Child Development Division may disapprove only those
25 portions of the plan or modifications to the plan that are not in
26 conformance with this article or that are in conflict with federal
27 law.

28 *SEC. 90. Section 8343 of the Education Code is amended and*
29 *renumbered to read:*

30 ~~8343.~~

31 8392.4. (a) Upon approval of the plan by the Child
32 Development Division, the County of San Mateo shall annually
33 prepare and submit to the Legislature, the Department of Social
34 Services, and the department a report that summarizes the success
35 of the pilot project and the county's ability to maximize the use
36 of funds and to improve and stabilize child care in the county.

37 (b) On or before December 31, 2008, the County of San Mateo
38 shall submit a final report to the Legislature, the Department of
39 Social Services, and the department summarizing the impact of
40 the plan on the child care needs of working families.

1 SEC. 91. Section 8344 of the Education Code is amended and
2 renumbered to read:

3 8344.

4 8492.5. The County of San Mateo may implement its
5 individualized county child care subsidy plan until January 1, 2014,
6 at which date the County of San Mateo shall terminate the plan.
7 Between January 1, 2014, and January 1, 2016, the County of San
8 Mateo shall phase out the individualized county child care subsidy
9 plan and, as of January 1, 2016, shall implement the state’s
10 requirements for child care subsidies. A child enrolling for the first
11 time for subsidized child care in San Mateo County after January
12 1, 2014, shall not be enrolled in the pilot program established
13 pursuant to this article and is subject to existing state laws and
14 regulations regarding child care eligibility and priority.

15 SEC. 92. Section 8345 of the Education Code is amended and
16 renumbered to read:

17 8345.

18 8492.6. A participating contractor shall receive any increase
19 or decrease in funding that the contractor would have received if
20 the contractor had not participated in the local subsidy plan.

21 SEC. 93. Section 8346 of the Education Code is amended and
22 renumbered to read:

23 8346.

24 8492.7. This article shall remain in effect only until January
25 1, 2016, and as of that date is repealed, unless a later enacted
26 statute, which is enacted before January 1, 2016, deletes or extends
27 that date.

28 SEC. 94. The heading of Article 15.5 (commencing with Section
29 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the
30 Education Code is repealed.

31
32 ~~Article 15.5. Child Care for Recipients of the CalWORKs~~
33 ~~Program~~
34

35 SEC. 95. Section 8350 of the Education Code is repealed.

36 ~~8350. (a) It is the intent of the Legislature in enacting this~~
37 ~~article to ensure that recipients of aid under Chapter 2 (commencing~~
38 ~~with Section 11200) of Part 3 of Division 9 of the Welfare and~~
39 ~~Institutions Code, or any successor program, and former recipients~~
40 ~~who have left aid for employment, are connected as soon as~~

1 possible to local child care resources, make stable child care
2 arrangements, and continue to receive subsidized child care services
3 after they no longer receive aid as long as they require those
4 services and meet the eligibility requirements set forth in Sections
5 8263 and 8263.1.

6 (b) ~~This article establishes three stages of child care services
7 through which a recipient of aid under Chapter 2 (commencing
8 with Section 11200) of Part 3 of Division 9 of the Welfare and
9 Institutions Code, or any successor program, will pass. Further, as
10 families' child care needs are met by county welfare departments
11 and later by other local child care and development contractors, it
12 is the intent of the Legislature that families experience no break
13 in their child care services due to a transition between the three
14 stages of child care services.~~

15 *SEC. 96. Article 13 (commencing with Section 8350) is added
16 to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education
17 Code, to read:*

18

19 *Article 13. Allocation and Expenditures*

20

21 *8350. The department shall develop and coordinate resources,
22 provide technical assistance, monitor program implementation,
23 generate maximum federal reimbursement wherever possible for
24 the federally eligible children, and facilitate alternative funding
25 for those children for whom federal funds are not available.*

26 *8351. It is the intent of the Legislature that federal funds
27 received pursuant to the federal Child Care and Development
28 Fund be allocated according to federal regulations pursuant to
29 this article.*

30 *8352. The department shall annually monitor funding used in
31 early learning and educational support programs for infants and
32 toddlers, and hours of service provided in California state
33 preschool services, and shall annually report to the Department
34 of Finance and to the Legislature a statewide summary identifying
35 the estimated funding used for infants and toddlers, and the number
36 of preschool age children receiving part-day preschool and
37 wraparound services, as defined in subdivision (f) of Section 8228.
38 The annual report shall include a comparison to the prior year on
39 a county-by-county basis.*

1 8353. *The Superintendent shall adopt rules, regulations, and*
2 *guidelines to facilitate the funding and reimbursement procedures*
3 *required by this chapter.*

4 8354. (a) *The Superintendent shall support the coordination*
5 *of resources available to state and local agencies serving children,*
6 *youth, and their families.*

7 (b) *Federal Head Start Funds used to provide services to*
8 *families receiving California state preschool services shall be*
9 *deemed nonrestricted funds.*

10 8355. *The department shall promote full utilization of state*
11 *and federal funds and match available unused funds with identified*
12 *service needs. Notwithstanding the requirements of Part 2*
13 *(commencing with Section 10100) of Division 2 of the Public*
14 *Contract Code, the department shall arrange interagency*
15 *adjustments between different contractors with the same type of*
16 *contract when both agencies mutually agree to a temporary*
17 *transfer of funds for the balance of the fiscal year.*

18 8356. (a) *The Superintendent shall develop a plan and*
19 *procedures for the allocation of expansion funding balances*
20 *resulting from the prorata allocation of expansion for the partial*
21 *year operations of new agencies.*

22 (b) *The plan shall provide for the distribution of funds among*
23 *provider agencies whose enrollments include children with special*
24 *needs, and shall limit provider agencies' use of funds to the*
25 *purpose of department-approved equipment or materials or*
26 *one-time-only services that directly benefit children with special*
27 *needs.*

28 8357. *Unless specifically exempted by the Legislature, the*
29 *administrative cost for all state-funded programs and all federal*
30 *programs administered by the state shall not exceed 15 percent of*
31 *the funds provided for those programs. Eighty-five percent of these*
32 *funds shall be used to provide direct services in accordance with*
33 *rules and regulations, or contractual funding terms and conditions*
34 *prescribed by the Superintendent.*

35 8358. *The Superintendent shall publish the methodology and*
36 *data used, including county-specific data if such data is used, for*
37 *the allocation of all child care funds. The Superintendent shall*
38 *make available to the public, within 90 days of an allocation, the*
39 *accounting information for the allocation. It is the intent of the*
40 *Legislature to expedite the allocation of funds to the field as quickly*

1 *as possible. Nothing in this section shall create a requirement for*
2 *a public hearing on the allocation methodology before the issuance*
3 *of a request for proposal.*

4 8359. (a) *The department shall disburse augmentations to the*
5 *base allocation for the expansion of early learning and educational*
6 *support programs to promote equal access to child development*
7 *services across the state.*

8 (b) *The Superintendent shall use the formula developed pursuant*
9 *to subdivision (c) and the priorities identified by local planning*
10 *councils, unless those priorities do not meet the requirements of*
11 *state or federal law, as a guide in disbursing augmentations*
12 *pursuant to subdivision (a).*

13 (c) *The Superintendent shall develop a formula for prioritizing*
14 *the disbursement of augmentations pursuant to this section. The*
15 *formula shall give priority to allocating funds to underserved*
16 *areas. The Superintendent shall develop the formula by using the*
17 *definition of “underserved area” in subdivision (at) of Section*
18 *8208 and direct impact indicators of need for services in the county*
19 *or subcounty areas. For purposes of this section, “subcounty*
20 *areas” include, but are not limited to, school districts, census*
21 *tracts, or ZIP Code areas that are deemed by the Superintendent*
22 *to be most appropriate to the type of program receiving an*
23 *augmentation. Direct impact indicators of need may include, but*
24 *are not limited to, the teenage pregnancy rate, the unemployment*
25 *rate, area household income, or the number or percentage of*
26 *families receiving public assistance, eligible for Medi-Cal, or*
27 *eligible for free or reduced-price school meals, and any unique*
28 *characteristics of the population served by the type of program*
29 *receiving an augmentation.*

30 (d) *To promote equal access to services, the Superintendent*
31 *shall include in guidelines developed for use by local planning*
32 *councils pursuant to subdivision (d) of Section 8301 guidance on*
33 *identifying underserved areas and populations within counties.*
34 *This guidance shall include reference to the direct impact*
35 *indicators of need described in subdivision (c).*

36 8360. (a) *Any entity operating an early learning and*
37 *educational support program funded pursuant to this chapter shall*
38 *establish in the county treasury a fund to be known as the “child*
39 *development fund” into which shall be paid all funds received by*
40 *the district or the county for, or from the operation of, services*

1 under this chapter. The costs incurred in the maintenance and
2 operation of child development services shall be paid from the
3 fund, with accounting to reflect specific funding sources.

4 (b) Funds of a district derived from the receipt of district taxes
5 or derived from moneys apportioned to the district for the support
6 of schools thereof, in addition to state moneys appropriated for
7 the support of early learning and educational support services,
8 fees, and federal funds, may be expended for, or in connection
9 with, services.

10 8361. (a) The following provisions apply to the award of Direct
11 Classroom Services Programs that are appropriated by the
12 Legislature for that purpose in any fiscal year:

13 (1) (A) When expansion funding is made available, priority for
14 funding shall be given to programs operating in the catchment
15 area of an elementary school ranked in deciles 1 to 3, inclusive,
16 on the Academic Performance Index, based on the school's most
17 recent Academic Performance Index score.

18 (B) Each applicant or contracting agency funded pursuant to
19 Section 8225 shall give first priority to three- or four-year-old
20 neglected or abused children who are recipients of child protective
21 services, or who are at risk of being neglected, abused, or exploited
22 upon written referral from a legal, medical, or social services
23 agency. If an agency is unable to enroll a child in this first priority
24 category, the agency shall refer the child's parent or guardian to
25 local resource and referral services so that services for the child
26 can be located.

27 (2) In an application for those expansion funds, an agency shall
28 furnish the Superintendent with an estimate of the number and
29 ages of children that it plans to serve in the following fiscal year
30 with those expansion funds. The agency also shall furnish
31 documentation that indicates the basis of those estimates.

32 (3) In awarding contracts for expansion, the Superintendent
33 shall take into account the geographic criteria established pursuant
34 to Section 8358, and the headquarters preferences and eligibility
35 criteria relating to fiscal or programmatic noncompliance
36 established pursuant to Section 8319.

37 (b) This section does not prevent eligible children who are
38 currently receiving services from continuing to receive those
39 services in future years pursuant to this chapter.

1 8362. (a) *In awarding contracts for expansion to programs*
2 *operating pursuant to this subdivision, the Superintendent shall*
3 *give priority to applicant agencies that, in expending the expansion*
4 *funds, will be serving the highest percentage of four-year-old*
5 *children.*

6 (b) *This section does not preclude a local educational agency*
7 *from subcontracting with an appropriate public or private agency*
8 *to operate a California state preschool program and to apply for*
9 *funds made available for the purposes of this section. If a school*
10 *district chooses not to operate or subcontract for a California*
11 *state preschool program, the Superintendent shall work with the*
12 *county office of education and other eligible agencies to explore*
13 *possible opportunities in contracting or alternative subcontracting*
14 *to provide a California state preschool program.*

15 8363. (a) *The department shall contract with local contracting*
16 *agencies for alternative payment services, pursuant to Article 4*
17 *(commencing with Section 8240) so that services will be provided*
18 *throughout the state. The department shall expand existing*
19 *alternative payment programs and fund new alternative payment*
20 *programs to the extent that funds are provided by the Legislature.*

21 (b) *Funding for the new programs pursuant to this section shall*
22 *be allocated to programs that meet all of the following*
23 *requirements:*

24 (1) *Applicants shall conform to the requirements of this article.*

25 (2) *Applicants shall demonstrate that an alternative payment*
26 *program is an appropriate method of delivering services within*
27 *the county or service area at the level requested in the application*
28 *by doing either of the following:*

29 (A) *Demonstrating the availability of sufficient licensed or*
30 *exempt providers.*

31 (B) *Providing a plan for the development of sufficient licensed*
32 *providers working in cooperation with the local resource and*
33 *referral agency.*

34 (3) *Applicants shall demonstrate the administrative viability of*
35 *the alternative payment agency and its capacity to meet*
36 *performance requirements.*

37 (4) *Existing alternative payment programs receiving funds for*
38 *expansion into a new service area shall be funded at a documented*
39 *rate appropriate to that community and may contract separately*
40 *as appropriate.*

1 SEC. 97. Section 8350.5 of the Education Code, as added by
2 Section 3 of Chapter 329 of the Statutes of 1998, is amended and
3 renumbered to read:

4 ~~8350.5.~~

5 8253. Current CalWORKs recipients are eligible for all child
6 care services under this article as long as they continue to receive
7 aid under Chapter 2 (commencing with Section 11200) of Part 3
8 of Division 9 of the Welfare and Institutions Code, or any successor
9 program. Family size and income, for purposes of calculating
10 family fees, shall be determined pursuant to Section ~~8263~~ 8216.

11 SEC. 98. Section 8350.5 of the Education Code, as added by
12 Section 4 of Chapter 330 of the Statutes of 1998, is repealed.

13 ~~8350.5. Current CalWORKs recipients are eligible for all child
14 care services under this article as long as they continue to receive
15 aid under Chapter 2 (commencing with Section 11200) of Part 3
16 of Division 9 of the Welfare and Institutions Code, or any successor
17 program. Family size and income, for purposes of calculating
18 family fees, shall be determined pursuant to Section 8263.~~

19 SEC. 99. Section 8351 of the Education Code is amended and
20 renumbered to read:

21 ~~8351.~~

22 8253.5. (a) The county welfare department shall manage the
23 first stage during which a family shall receive a child care subsidy
24 for any legal care chosen by the parent. The first stage begins upon
25 the entry of a person into the program prescribed by Chapter 2
26 (commencing with Section 11200) of Part 3 of Division 9 of the
27 Welfare and Institutions Code.

28 (b) A county shall move recipients out of this first response
29 stage as quickly as possible after the county determines that the
30 need for child care is stable. A recipient may be served in this stage
31 for a maximum of six months. The six-month time limit may be
32 extended if the county determines that the recipient’s situation is
33 too unstable to be shifted to the second stage or if no funds are
34 available to provide child care services in the second stage.

35 (c) Former CalWORKs recipients who cannot be transitioned
36 from the first stage of child care because no funded slot is available
37 are eligible to receive the first stage and any subsequent stage two
38 child care services for up to a total of 24 months after they leave
39 cash aid, or until they are otherwise ineligible within that 24-month
40 period. Family size and income for purposes of determining

1 eligibility and family fee shall be determined pursuant to Sections
2 ~~8263 and 8263.1~~ 8211 and 8216.

3 (d) The county welfare department shall also begin the first
4 stage of child care when an individual who applies for aid under
5 the program described in Chapter 2 (commencing with Section
6 11200) of Part 3 of Division 9 of the Welfare and Institutions Code
7 is participating as a volunteer pursuant to Article 3.2 (commencing
8 with Section 11320) of Chapter 2 of Part 3 of Division 9 of the
9 Welfare and Institutions Code.

10 (e) A county may contract with public or private child care
11 providers to provide any or all of the services during the first stage.
12 If the county welfare department elects to contract with any child
13 care provider that is also under contract with the ~~State Department~~
14 ~~of Education~~ department, these contracts shall be consistent with
15 state law.

16 *SEC. 100. Section 8352 of the Education Code is amended and*
17 *renumbered to read:*

18 ~~8352.~~

19 8254. (a) As soon as appropriate, a county welfare department
20 shall refer families needing ~~child care~~ services to the local ~~child~~
21 ~~care~~ resource and referral program funded pursuant to ~~Article 2~~
22 ~~(commencing with Section 8210)~~ Sections 8285, 8286, 8287, 8290,
23 8291, and 8294. Resource and referral program staff shall colocate
24 with a county welfare department's case management offices for
25 aid under Chapter 2 (commencing with Section 11200) of Part 3
26 of Division 9 of the Welfare and Institutions Code, or any successor
27 program, or arrange other means of swift communication with
28 parents and case managers of this aid. The local child care resource
29 and referral program shall assist families to establish stable child
30 care arrangements as soon as possible. These child care
31 arrangements may include licensed and license-exempt care.

32 (b) *The resource and referral agency in the county shall provide*
33 *information regarding high-quality early learning and educational*
34 *support options, pursuant to Section 8290, to alternative payment*
35 *programs in the county to offer support services pursuant to Section*
36 *8249, and, where available, provide information on quality rating*
37 *and improvement systems.*

38 (c) *The department shall make informational resources available*
39 *to both resource and referral and alternative payment programs*
40 *pursuant to Section 8290.*

1 (b)

2 (d) A program operating pursuant to this article shall, within two
 3 business days of being notified of a revocation or a temporary
 4 suspension order for a licensed child day care facility, do both of
 5 the following:

- 6 (1) Terminate payment to the facility.
- 7 (2) Notify each parent and the facility in writing that payment
 8 has been terminated and the reason for the termination.

9 (e)

10 (e) A program operating pursuant to this article shall, upon being
 11 notified that a licensed child care facility has been placed on
 12 probation, provide written notice to each parent utilizing the facility
 13 that the facility has been placed on probation and that the parent
 14 has the option of selecting a different child day care provider or
 15 remaining with the facility without risk of subsidy payments to
 16 the provider being terminated. The Legislature urges each agency
 17 operating pursuant to this section to provide the written notice
 18 required by this subdivision in the primary language of the parent,
 19 to the extent feasible.

20 *SEC. 101. Section 8353 of the Education Code is amended and*
 21 *renumbered to read:*

22 ~~8353.~~

23 8254.5. (a) The second stage of child care begins when the
 24 county determines that the recipient’s work or approved work
 25 activity is stable or when a recipient is transitioning off of aid and
 26 child care is available through a local stage two program. Second
 27 stage child care may be provided to a family who elects to receive
 28 a lump-sum diversion payment or diversion services under Section
 29 11266.5 of the Welfare and Institutions Code when a funded space
 30 is not immediately available for the family in third stage. The local
 31 stage two agency shall assist in moving families to stage three as
 32 quickly as feasible. Former CalWORKs recipients are eligible to
 33 receive child care services in stage one and stage two for up to a
 34 total of no more than 24 months after they leave cash aid, or until
 35 they are otherwise ineligible within that 24-month period. Family
 36 size and income for purposes of determining eligibility and
 37 calculating the family fee shall be determined pursuant to Sections
 38 ~~8263 and 8263.1.~~ 8211 and 8216. A family leaving cash aid under
 39 the CalWORKS program shall receive up to two years of child
 40 care, if otherwise eligible, as needed to continue the family’s

1 employment. The provision of the two-year time limit is not
2 intended to limit eligibility for child care under Section ~~8354~~ 8255.

3 (b) The second stage shall be administered by agencies
4 contracting with the ~~State Department of Education~~ department.
5 These contractors may be either agencies that have an alternative
6 payment contract pursuant to Section ~~8220.1~~ 8362 or county
7 welfare departments that choose to administer this stage in order
8 to continue to provide child care services for recipients or former
9 recipients of aid. If the county chooses to contract with the
10 department to provide alternative payment services, this contract
11 shall not displace, or result in the reduction of an existing contract
12 of, a current alternative payment program.

13 *SEC. 102. Section 8354 of the Education Code is amended and*
14 *renumbered to read:*

15 ~~8354.~~

16 8255. (a) The third stage of child care begins when a funded
17 space is available. CalWORKs recipients are eligible for the third
18 stage of child care. Persons who received a lump-sum diversion
19 payment or diversion services and former CalWORKs participants
20 are eligible if they have an income that does not exceed 70 percent
21 of the state median income pursuant to Section ~~8263.1~~ 8211. The
22 third stage shall be administered by programs contracting with the
23 ~~State Department of Education~~ department. Parents' eligibility for
24 ~~child care and development~~ services will be governed by Section
25 ~~8263~~ 8210 and regulations adopted by the ~~State Department of~~
26 ~~Education~~ department.

27 (b) In order to move welfare recipients and former recipients
28 from their relationship with county welfare departments to
29 relationships with institutions providing services to working
30 families, it is the intent of the Legislature that families that are
31 former recipients of aid, or are transitioning off aid, receive their
32 child care assistance in the same fashion as other low-income
33 working families. Therefore, it is the intent of the Legislature that
34 families no longer rely on county welfare departments to obtain
35 child care subsidies beyond the time they are receiving other
36 services from the welfare department.

37 (c) A county welfare department shall not administer the third
38 stage of child care for CalWORKs recipients except to the extent
39 to which it delivered those services to families receiving, or within

1 one year of having received, Aid to Families with Dependent
2 Children ~~prior to~~ *before* the enactment of this section.

3 (d) This article does not preclude county welfare departments
4 from operating an alternative payment program under contract
5 with the ~~State Department of Education~~ *department* to serve
6 families referred by child protective services.

7 *SEC. 103. Section 8355 of the Education Code is amended and*
8 *renumbered to read:*

9 ~~8255.~~

10 8255.5. Child care during the third stage may be funded with
11 moneys dedicated to current and former recipients of aid under
12 Chapter 2 (commencing with Section 11200) of Part 3 of Division
13 9 of the Welfare and Institutions Code, or any successor program,
14 including the federal funds appropriated to alternative payment
15 program contractors in the 1996–97 fiscal year using the Budget
16 Act’s Section 28 process as described in subdivision (b). Nothing
17 shall prevent ~~child care~~ services provided under stage three from
18 being funded with moneys from other federal or state sources.
19 Nothing in this article shall preclude current and former recipients
20 of aid under Chapter 2 (commencing with Section 11200) of Part
21 3 of Division 9 of the Welfare and Institutions Code, or any
22 successor program, from receiving child care services pursuant to
23 other provisions of this chapter.

24 *SEC. 104. Section 8356 of the Education Code is amended and*
25 *renumbered to read:*

26 ~~8356.~~

27 8256. It is the intent of the Legislature that the ~~State Department~~
28 ~~of Education~~ *department* work with Head Start and state preschool
29 programs to generate extended-day and evening care for recipients
30 of aid under Chapter 2 (commencing with Section 11200) of Part
31 3 of Division 9 of the Welfare and Institutions Code, or any
32 successor program, through recruiting and training parents to be
33 licensed and license-exempt care providers and shall facilitate
34 connections between Head Start and state preschool contractors
35 and child care certificate administrators, including counties and
36 other alternative payment programs, so that funds available for
37 Sections ~~8351, 8353, and 8354~~ 8253.5, 8254.5, and 8255 cover
38 the cost of this care.

39 *SEC. 105. Section 8356.1 of the Education Code is amended*
40 *and renumbered to read:*

1 ~~8356.1.~~

2 8256.5 It is the intent of the Legislature that each county receive
3 funding for child care services provided in stage two that is at least
4 equivalent to the amount of funding received in the 1996–97 fiscal
5 year for income disregard pursuant to Section 11451.6 of the
6 Welfare and Institutions Code and supplemental child care pursuant
7 to Section 11451.7 of the Welfare and Institutions Code.

8 *SEC. 106. Section 8358.5 of the Education Code is amended*
9 *and renumbered to read:*

10 ~~8358.5.~~

11 8257. Notwithstanding any other confidentiality requirement,
12 the government or private agency administering subsidized-~~child~~
13 ~~care~~ services shall share information necessary for the
14 administration of the-~~child care~~ programs pursuant to this article
15 and the CalWORKs program pursuant to Chapter 2 (commencing
16 with Section 11200) of Part 3 of Division 9 of the Welfare and
17 Institutions Code, for the time period for which the person receives
18 ~~child care services.~~

19 *SEC. 107. Section 8359 of the Education Code is amended and*
20 *renumbered to read:*

21 ~~8359.~~

22 8257.5. (a) County welfare departments and alternative
23 payment programs shall provide to the State Department of
24 Education or the State Department of Social Services, whichever
25 is appropriate, and the local planning council, on a monthly basis,
26 data about child care usage and demand in each of the three stages.
27 The State Department of Education and the State Department of
28 Social Services shall forward this data quarterly to the Department
29 of Finance and the Joint Legislative Budget Committee for fiscal
30 planning.

31 (b) By January 10 of each year, the Department of Finance shall
32 present to the respective legislative budget committees an estimate
33 of the cost of funding the expected demand for child care as
34 described in subdivision (a) of Section-~~8351~~ 8253.5 and Sections
35 ~~8353~~ 8254.5 and-~~8354~~ 8255.

36 *SEC. 108. Section 8359.1 of the Education Code is amended*
37 *and renumbered to read:*

38 ~~8359.1.~~

39 8258. (a) It is the intent of the Legislature in enacting this
40 article to provide sufficient funding through an appropriation in

1 the annual Budget Act to fund the estimated cost of providing-child
2 care for all individuals who are anticipated to need child care to
3 participate in the welfare-to-work programs and to transition to
4 work.

5 ~~(b) It is the intent of the Legislature that child care and~~
6 ~~development contracts in existence on the effective date of this~~
7 ~~section be allowed to continue until the end of the 1997-98 fiscal~~
8 ~~year.~~

9 (e)

10 (b) Funding for purposes of implementing this article shall be
11 appropriated in the annual Budget Act.

12 *SEC. 109. Section 8362 of the Education Code is amended and*
13 *renumbered to read:*

14 ~~8362.~~

15 8305. The same fee as that prescribed for a credential provided
16 in Section 44235 shall be charged for either the issuance or renewal
17 of each child development permit authorizing service in the
18 supervision and instruction of children in child development
19 programs or authorizing service as a supervisor in a program.

20 *SEC. 110. Section 8363 of the Education Code is amended and*
21 *renumbered to read:*

22 ~~8363.~~

23 8306. The Commission on Teacher Credentialing shall by rule
24 or regulation establish the requirements for the following:

25 (a) The issuance and the renewal of permits authorizing service
26 in the care, development, and instruction of children in child care
27 and development programs, as well as the issuance of emergency
28 permits for this purpose.

29 (b) The issuance and renewal of permits authorizing supervision
30 of a child care and development program, as well as the issuance
31 of emergency permits for this purpose.

32 (c) The periods of duration of the permits set forth in this
33 section.

34 *SEC. 111. Section 8363.5 of the Education Code is amended*
35 *and renumbered to read:*

36 ~~8363.5.~~

37 8307. (a) A special child development permit shall be issued
38 to any person employed as a supervisor, head teacher, or teacher
39 by an agency conducting a child care and development program
40 under contract with a county who did not meet the requirements

1 for an emergency instructional permit authorizing service in
2 children's centers or a supervisor's permit with postponement of
3 requirements authorizing service in a children's center in effect
4 on October 15, 1974. A special child development permit issued
5 pursuant to this section shall be valid for 36 months after its date
6 of issuance. Within the 36-month period following the date of
7 issuance of the permit, the following shall apply:

8 (1) A person employed as a head teacher or teacher who has
9 completed 30 semester hours of coursework taken in an approved
10 institution, including 12 semester hours of coursework in subject
11 fields related to early childhood education, shall be issued an
12 emergency instructional permit authorizing service in a children's
13 center and be subject to the term and renewal regulations in effect
14 on October 15, 1974.

15 (2) A person employed as a supervisor who has obtained a
16 bachelor's degree from an approved institution and completed at
17 least 12 semester hours of coursework in subject fields related to
18 early childhood education shall be issued a supervision permit
19 with postponement of requirements authorizing service in
20 children's centers and be subject to the term and renewal
21 regulations in effect on October 15, 1974.

22 (b) It is the intention of the Legislature that this section be
23 liberally interpreted to ensure that those experienced and qualified
24 persons employed in county contract day care centers prior to July
25 1, 1974, maintain their positions and be given ample opportunity
26 to upgrade their skills to meet revised educational standards.

27 *SEC. 112. The heading of Article 14 (commencing with Section*
28 *8365) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of*
29 *the Education Code, to read:*

30

31 *Article 14. Reimbursement: General*

32

33 *SEC. 113. Section 8368 of the Education Code is amended and*
34 *renumbered to read:*

35 ~~8368.~~

36 ~~8417.~~ Any person who is employed in a ~~child development~~
37 program on October 1, 1965, and who was brought into
38 membership in a retirement system on October 1, 1963,
39 notwithstanding his *or her* prior election pursuant to Section 8367
40 or the predecessor of ~~such~~ Section 8367 as it read prior to October

1 1, 1963, not to be a member of such system, shall have the same
2 rights under such system with respect to his *or her* service in ~~child~~
3 ~~development~~ programs as he *or she* would have had under Section
4 8367 or the predecessor of ~~such~~ *that* section had he elected
5 thereunder to be a member of such system.

6 *SEC. 114. Section 8369 of the Education Code is amended and*
7 *renumbered to read:*

8 ~~8369.~~

9 *8418.* Every employee of a child development program who
10 before his employment in such program was employed by the
11 agency maintaining such program in a position entitling him to
12 membership in, and who was a member of, the retirement system
13 maintained by such district, and if such employee's contributions
14 to such retirement system were returned to him when he was
15 employed in the program, such employee shall have the right to
16 elect, by written document filed with the Board of Administration,
17 Public Employees' Retirement System, at any time within 90 days
18 after the date upon which the notice of the right to make such
19 election is mailed by such system, either to the member's latest
20 address on file in the office of such system, or to the office of the
21 governing board of such agency or agencies, and ~~prior to~~ *before*
22 the date of retirement, to contribute to such system, subject to
23 minimum payments fixed by the Board of Administration, and in
24 one or more sums, or in not to exceed 60 monthly payments, an
25 amount which, when added to his accumulated contributions,
26 including interest, transferred as required in paragraph (1) of
27 subdivision (b) of Section 24810, will make a total amount equal
28 to the accumulated contributions, including interest, which would
29 have been credited to him in such plan, if he had never had his
30 contributions returned to him. Such employee shall pay to the
31 Public Employees' Retirement System interest on the unpaid
32 balance of the amount payable to such system, beginning with the
33 date of transfer, at the rate of interest currently used from time to
34 time under the system. If such employee elects to make, and makes,
35 such contributions and pays such interest, but not otherwise, he
36 shall receive credit under such employees' system, as state service,
37 for all prior service rendered while he was not a member of such
38 plan.

1 SEC. 115. Article 14.5 (commencing with Section 8370) is
2 added to Chapter 2 of Part 6 of Division 1 of Title 1 of the
3 Education Code, to read:

4
5 Article 14.5. Reimbursement: Direct Classroom Services
6

7 8370. The reimbursement rate pursuant to this article shall
8 apply to applicants and contract agencies operating programs
9 pursuant to Article 3 (commencing with Section 8220).

10 SEC. 116. Article 14.7 (commencing with Section 8377) is
11 added to Chapter 2 of Part 6 of Division 1 of Title 1 of the
12 Education Code, to read:

13
14 Article 14.7. Reimbursement: Alternative Payment Services
15

16 8377. The reimbursement rate established pursuant to this
17 article shall apply to applicants and contract agencies operating
18 pursuant to Article 4 (commencing with Section 8240).

19 8378. Alternative payment services operating pursuant to
20 Article 4 (commencing with Section 8240) shall be subject to the
21 rates established by the Regional Market Rate Survey of California
22 Child Care Providers for provider payments. The department shall
23 contract to conduct and complete a Regional Market Rate Survey
24 no more frequently than once every two years, consistent with
25 federal regulations, with a goal of completion by March 1.

26 SEC. 117. Article 15 (commencing with Section 8380) is added
27 to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education
28 Code, to read:

29
30 Article 15. Audits
31

32 8380. As used in this article:

33 (a) "Financial and compliance audit" means a systematic
34 review or appraisal to determine each of the following:

35 (1) Whether the financial statements of an audited organization
36 fairly present the financial position and the results of financial
37 operations in accordance with generally accepted accounting
38 principles.

1 (2) Whether the organization has complied with laws and
2 regulations that may have a material effect upon the financial
3 statements.

4 (b) “Public accountant” means a certified public accountant
5 or a state-licensed public accountant.

6 (c) “Independent auditor” means a public accountant who has
7 no direct or indirect relationship with the functions or activities
8 being audited or with the business conducted by any of the officials
9 or contractors being audited.

10 (d) “Generally accepted auditing standards” means the auditing
11 standards set forth in the financial and compliance element of the
12 “Government Auditing Standards” issued by the Comptroller
13 General of the United States and incorporating the audit standards
14 of the American Institute of Certified Public Accountants.

15 (e) “Direct service contract” means a contract with any public
16 or private entity for early learning and educational support
17 programs, resource and referral programs, and programs
18 contracting to provide support services as defined in Section 8208.

19 (f) “Nonprofit organization” means an organization described
20 in Section 501(c)(3) of the Internal Revenue Code of 1954 that is
21 exempt from taxation under Section 501(a) of that code, or any
22 nonprofit, scientific, or educational organization qualified under
23 Section 23701d of the Revenue and Taxation Code.

24 8381. (a) Annually, there shall be a single independent
25 financial and compliance audit of organizations that contract with
26 the state under a direct service contract. The audit shall include
27 an evaluation of the accounting and control systems of the direct
28 service contractor and of the activities by the contractor to comply
29 with the financial requirements of direct service contracts received
30 by the contractor from the state agency. The financial and
31 compliance requirements to be reviewed during the audit shall be
32 those developed and published by the department in consultation
33 with the Department of Finance. Audits carried out pursuant to
34 this section shall be audits of the contractor rather than audits of
35 individual contracts or programs. In the case of any contractor
36 that receives less than twenty-five thousand dollars (\$25,000) per
37 year from any state agency, the audit required by this section shall
38 be conducted biennially, unless there is evidence of fraud or other
39 violation of state law in connection with the direct service contract.
40 The cost of the audit may be included in direct service contracts.

1 ***(b) The organization receiving funds from the state shall be***
2 *responsible for obtaining the required financial and compliance*
3 *audits of the organization and any subcontractors, except for direct*
4 *service subcontracts and other subcontracts exempt from*
5 *department review, as agreed to by the Departments of Finance*
6 *and General Services. The audit shall be performed by an*
7 *independent auditor in accordance with generally accepted*
8 *auditing standards. The audit shall be completed by the 15th day*
9 *of the fifth month following the end of the contractor's fiscal year.*
10 *A copy of the audit shall be filed with the department upon its*
11 *completion. In the event an audit is not filed, the department shall*
12 *notify the organization of the contract violation. The audit report*
13 *filed shall be an integral part of the direct service contract file.*

14 ***(c) (1) Nothing in this article limits the authority of the***
15 *department to make audits of direct service contracts. However,*
16 *if independent audits arranged for by direct service contractors*
17 *meet generally accepted auditing standards, the department shall*
18 *rely on those audits, and any additional audit work shall build*
19 *upon the work already done.*

20 ***(2) Nothing in this article precludes the state from conducting,***
21 *or contracting for the conduct of, contract performance audits that*
22 *are not financial and compliance audits.*

23 ***(3) Nothing in this article limits the state's responsibility or***
24 *authority to enforce state law or regulations, procedures, or*
25 *reporting requirements arising pursuant thereto.*

26 ***(4) Nothing in this article limits the responsibility of the***
27 *department to provide an independent appeal procedure according*
28 *to the provisions of the Administrative Procedure Act (Chapter 5*
29 *commencing with Section 11500) of Part 1 of Division 3 of Title*
30 *2 of the Government Code).*

31 ***8382. An audit for an agency shall include, but not be limited***
32 *to, a sampling of the evidence of fees charged to, and paid by,*
33 *families of nonsubsidized children, the daily enrollment of*
34 *subsidized children, the number of days of service provided to*
35 *subsidized children, the assessment and collection of parent fees,*
36 *and the availability of support services to subsidized children and*
37 *their families as needed pursuant to the terms of the contract.*

38 ***8383. An audit for an agency licensed under the provisions of***
39 *Chapter 3 (commencing with Section 1500) of Division 2 of the*
40 *Health and Safety Code shall include a sampling of the evidence*

1 of fees paid by families of nonsubsidized children, the average
2 daily enrollment of subsidized and nonsubsidized children, the
3 average number of days of service provided to subsidized children,
4 and the services provided to subsidized children pursuant to the
5 terms of the contract.

6 SEC. 118. The heading of Article 16.5 (commencing with
7 Section 8385) of Chapter 2 of Part 6 of Division 1 of Title 1 of the
8 Education Code is amended and renumbered to read:

9
10 Article ~~16.5:16~~. Fraud ~~And Overpayments~~

11
12 SEC. 119. Section 8385 of the Education Code is amended to
13 read:

14 8385. (a) (1) The department, in consultation with the State
15 Department of Social Services, county fraud investigators, and
16 other fraud investigation experts, shall perform an error rate study
17 to estimate the percentage of errors, including, but not limited to,
18 overpayments and fraud, in determinations of eligibility, the need
19 for child care pursuant to ~~paragraph (2) of subdivision (a) of~~
20 ~~Section 8263~~ 8210, family fees, and reimbursement payments to
21 child care providers, including, but not limited to, authorized hours
22 of care and the use of adjustment factors, in programs operated
23 pursuant to Article ~~3 4~~ (commencing with Section ~~8220~~) 8340
24 and Article ~~15.5~~ 4.5 (commencing with Section ~~8350~~) 8252). The
25 study shall include, but not be limited to, an analysis of a
26 statistically valid, random, sample of family files and
27 reimbursement payments that have been processed over a specified
28 time. Each payment from the sample shall be audited to determine
29 whether it was correctly paid or paid in error. Those payments
30 identified as being paid in error shall be classified based on the
31 type of the error that occurred, including, but not limited to,
32 administrative errors, overpayment caused by providers,
33 overpayments caused by parents, provider fraud, and beneficiary
34 fraud.

35 (2) In conducting the compliance reviews required by regulations
36 of the Superintendent pursuant to Section ~~8261~~ 8319 for programs
37 operated pursuant to ~~Article 8 (commencing with Section 8240)~~
38 Section 8204, the department shall survey a statistically valid
39 sample of files for the program and identify and report the errors,
40 by category, resulting from that survey.

- 1 (3) The department shall report in writing to the Governor, the
2 Chair of the Joint Legislative Budget Committee, the chairs of the
3 fiscal committees for both houses of the Legislature, and the
4 Department of Finance, information regarding the error rate study
5 by April 1, 2005. The report shall include, but not be limited to,
6 all of the following:
- 7 (A) The results of the error rate study.
 - 8 (B) Fraud and overpayment reduction targets that have been
9 established based on the data from the error rate study.
 - 10 (C) The timeframe for achieving the targets.
 - 11 (D) Recommendations developed pursuant to subdivision (b).
- 12 (b) The department shall develop recommendations for the
13 prevention and elimination of child care fraud and programmatic
14 errors and the identification and collection of child care
15 overpayments. The recommendations shall include, but not be
16 limited to:
- 17 (1) Precise definitions of what constitutes child care fraud and
18 overpayments.
 - 19 (2) A consistent statewide system to identify fraud and
20 overpayments.
 - 21 (3) A consistent statewide system of standards for fraud
22 prevention, intervention, and overpayment collection that is applied
23 to all child care program provider categories.
 - 24 (4) Statewide fraud and overpayment measures that will be
25 reported annually by the department.
 - 26 (5) Standards for independent financial compliance audits,
27 including provisions to ensure that small programs are not unduly
28 burdened.
 - 29 (6) Consistent statewide mechanisms for due process for parents.
 - 30 (7) Consistent statewide mechanisms for dispute resolution for
31 child care programs and providers.
 - 32 (8) Assessment of the cost-effectiveness of prevention and
33 intervention activities.
 - 34 (9) Equitable treatment of all consumers of subsidized child
35 care.
 - 36 (10) Consideration of the need to minimize new barriers to
37 family access to child care.
 - 38 (11) A survey of best practices from both California agencies
39 and providers and from other states.

1 (c) In developing its recommendations, the department shall
2 place priority on prevention of fraud and overpayments, and shall
3 consider existing best practices for doing so. The department shall
4 make any identified best practices available on its Web site by
5 March 1, 2005.

6 (d) The department shall consult with representatives of the
7 State Department of Social Services, the Legislative Analyst’s
8 Office, the Department of Finance, staff from the appropriate policy
9 and fiscal committees of each house of the Legislature, and other
10 interested parties including, but not limited to, child care consumers
11 and providers, representatives from county welfare departments,
12 district attorneys, county special investigative units, and legal
13 advocacy organizations representing consumers in developing
14 these recommendations.

15 (e) The department shall report its recommendations directly
16 to the respective policy and fiscal committees of the Legislature
17 by April 1, 2005.

18 (f) On or after July 1, 2005, all child care contracts entered into
19 by the ~~State Department of Education~~ *department* for means-tested
20 child care programs, including, but not limited to, the programs
21 described in Article ~~3 4~~ (commencing with Section ~~8220~~) 8240),
22 Article ~~8~~ (commencing with Section ~~8240~~) Section 8204, and
23 Article ~~15.5 4.5~~ (commencing with Section ~~8350~~) 8252), shall
24 require implementation of best practices identified pursuant to
25 subdivision (c).

26 *SEC. 120. The heading of Article 18 (commencing with Section*
27 *8400) of Chapter 2 of Part 6 of Division 1 of Title 1 of the*
28 *Education Code is repealed.*

29
30
31

~~Article 18. Administrative Review~~

32 *SEC. 121. Section 8402 of the Education Code is amended and*
33 *renumbered to read:*

34 ~~8402.~~

35 8338. The ~~State Department of Education~~ *department* shall
36 provide an independent appeal procedure to each contracting
37 agency providing child care and development services pursuant
38 to Section ~~8262~~ 8326. ~~Prior to~~ *Before* filing an appeal petition, the
39 contracting agency shall have submitted all previously required
40 standard monthly or quarterly reporting forms to the ~~State~~

1 ~~Department of Education~~ *department*. The appeal procedure shall
2 be conducted by the Office of Administrative Hearings and shall
3 be provided upon petition of the contracting agency in any of the
4 following circumstances:

5 (a) Termination or suspension of a contracting agency's contract.

6 (b) Denial of more than 4 percent or twenty-five thousand dollars
7 (\$25,000), whichever is less, of a local contracting agency's
8 contracted payment for services schedule.

9 (c) Demand for remittance of an overpayment of more than 4
10 percent or twenty-five thousand dollars (\$25,000), whichever is
11 less, of a local contracting agency's annual contract.

12 *SEC. 122. Section 8403 of the Education Code is amended and*
13 *renumbered to read:*

14 ~~8403.~~

15 8339. All hearings shall be conducted according to the
16 provisions of the Administrative Procedure Act (Chapter 5
17 (commencing with Section 11500) of Part 1, of Division 3 of Title
18 2 of the Government Code), except as otherwise directed in this
19 article.

20 *SEC. 123. Section 8404 of the Education Code is amended and*
21 *renumbered to read:*

22 ~~8404.~~

23 8340. The Office of Administrative Hearings shall, by June
24 30, 1982, adopt regulations governing the hearings, which shall
25 include all of the following:

26 (a) Deadlines for filing petitions, commencing hearings and
27 rendering decisions.

28 (b) Notice to affected parties.

29 (c) The manner for maintaining appropriate provision for
30 electronic recording and transcription, if necessary.

31 (d) Hearings shall be conducted at the offices of the Office of
32 Administrative Hearings in Sacramento or Los Angeles. However,
33 hearings in Los Angeles shall be available only to local contracting
34 agencies with the ~~State Department of Education~~ *department* whose
35 annual contracts total less than two hundred thousand dollars
36 (\$200,000).

37 (e) Any other issues deemed appropriate by the Office of
38 Administrative Hearings.

39 *SEC. 124. Section 8405 of the Education Code is amended and*
40 *renumbered to read:*

1 8405.

2 8341. The determination of the hearing examiner shall be the
 3 final administrative determination to be afforded the local
 4 contracting agency.

5 *SEC. 125. Section 8406 of the Education Code is amended and*
 6 *renumbered to read:*

7 8406.

8 8342. All actions by the ~~State Department of Education~~
 9 *department*, as defined in subdivisions (a) to (c), inclusive, of
 10 Section ~~8402~~ 8338 shall be preceded by a written notice of action
 11 to the local contracting agency ~~which~~ *that* shall include the
 12 following:

13 (a) A statement of the specific reasons for the action in the
 14 Statement of Issues.

15 (b) A description of the local contracting agency’s rights and
 16 responsibilities concerning the appeal procedure described herein.

17 *SEC. 126. Section 8406.6 of the Education Code is amended*
 18 *and renumbered to read:*

19 8406.6.

20 8343. The Superintendent of ~~Public Instruction~~ shall establish
 21 a contract classification system for purposes of identifying,
 22 monitoring, and providing technical assistance to contractors as
 23 follows:

24 (a) Clear contract. This designation shall be given to contracted
 25 agencies that are in full compliance with all applicable statutory
 26 provisions, funding terms and conditions, and applicable program
 27 quality guidelines.

28 (b) Provisional contract. This designation applies to existing
 29 contracted agencies, or agencies that are awarded a new contract
 30 for services. The time frame of a provisional contract is at the
 31 discretion of the ~~State Department of Education~~ *department* and
 32 is given to ensure demonstrated fiscal and programmatic
 33 compliance before granting clear contract status. The contract
 34 status shall be reviewed annually.

35 (c) Conditional contract. This designation applies to high-risk
 36 contracted agencies that evidence fiscal and or programmatic
 37 noncompliance. These agencies shall not be eligible to apply for
 38 additional State Child Development program funds, and are subject
 39 to any restrictions deemed reasonable to secure compliance. The
 40 conditional contract shall include a bill of particulars detailing the

1 items of noncompliance, the standards that must be met to avoid
2 termination of contract and to qualify the agency for clear contract
3 status, and technical assistance plan. Failure to demonstrate
4 substantive progress toward fiscal or program compliance within
5 six months of that designation shall constitute a breach of contract
6 and be subject to termination for any applicable cause specified
7 in Section ~~8406.7~~ 8344 or in accordance with Section ~~8402~~ 8338.

8 (d) Agencies with conditional contracts shall receive technical
9 assistance from the Child Development Division of the ~~State~~
10 ~~Department of Education~~ department.

11 *SEC. 127. Section 8406.7 of the Education Code is amended*
12 *and renumbered to read:*

13 ~~8406.7.~~

14 8344. (a) Any agency that evidences chronic fiscal or program
15 violations of a felony nature may have its contract suspended or
16 terminated immediately, provided there is documented evidence
17 thereof, and upon review and recommendation of the general
18 counsel of the ~~State Department of Education~~ department. A fiscal
19 or programmatic violation constituting a breach of contract includes
20 one or more of the following:

21 (1) Fraud, or conspiracy to defraud.

22 (2) Misuse of state funds in violation of the State of California
23 Accounting Manual.

24 (3) Embezzlement.

25 (4) Threats of bodily or other harm to state officials.

26 (5) Bribery or attempted bribery of a state official.

27 (6) Unsafe or unhealthy physical environment or facility.

28 (7) Substantiated abuse or molestation of children.

29 (8) Failure to report suspected child abuse or molestation.

30 (9) Theft of supplies, equipment or food.

31 (b) An agency contract terminated for cause retains appeal rights
32 in accordance with Section ~~8402~~ 8338.

33 (c) The ~~State Department of Education~~ department shall advise
34 child care and development contractors of the provision of this
35 section within 30 working days of its enactment.

36 *SEC. 128. Section 8406.9 of the Education Code is amended*
37 *and renumbered to read:*

38 ~~8406.9.~~

39 8345. (a) An agency that places a person in a position of fiscal
40 responsibility or control who has been convicted of any crime

1 specified in Chapter 2 (commencing with Section 458) of, Chapter
 2 4 (commencing with Section 470) of, Chapter 5 (commencing with
 3 Section 484) of, Chapter 6 (commencing with Section 503) of, or
 4 Chapter 7 (commencing with Section 518) of, Title 13 of Part 1
 5 of the Penal Code may have its contract suspended or terminated
 6 immediately if there is documented evidence of the conviction,
 7 and upon review and recommendation of the general counsel of
 8 the ~~State Department of Education~~ *department*.

9 (b) For purposes of this section, “position of fiscal responsibility
 10 or control” includes any authority to direct or control expenditure
 11 of, or any access to, state or federal child care and development
 12 funds received pursuant to this chapter whether that authority or
 13 access is conferred based on the person’s status as an employee,
 14 director, manager, board member, or volunteer, or based on any
 15 other status.

16 (c) An agency whose contract is terminated pursuant to this
 17 section may appeal that action in accordance with Section ~~8402~~
 18 ~~8338~~.

19 (d) Termination pursuant to this section shall not occur without
 20 notice as described in Section ~~8406~~ 8342 at least 90 days ~~prior to~~
 21 *before* termination.

22 (e) If the agency provides evidence to the ~~State Department of~~
 23 ~~Education~~ *department* that the convicted person has been removed
 24 from the position of fiscal responsibility or control and provides
 25 assurance that the person will not be returned to a position of fiscal
 26 responsibility or control, the ~~State Department of Education~~
 27 *department* shall withdraw the termination action.

28 *SEC. 129. Section 8407 of the Education Code is amended and*
 29 *renumbered to read:*

30 ~~8407.~~

31 8346. Except for causes listed in Section ~~8406.7~~ 8344,
 32 termination of existing funding shall not occur without good cause
 33 and without notice as described in Section ~~8406~~ 8342 at least 90
 34 days ~~prior to~~ *before* termination.

35 *SEC. 130. Section 8408 of the Education Code is amended and*
 36 *renumbered to read:*

37 ~~8408.~~

38 8347. Actions as defined in subdivisions (a) to (c), inclusive,
 39 of Section ~~8402~~ 8338 shall remain in effect during the appeal
 40 process. However, local contracting agencies may continue to

1 operate under the contract during an appeal of termination, unless
2 the action is based on imminent danger to the health or welfare of
3 children. If the local agency contract is being terminated for this
4 reason, the reason shall be specified by the department in its notice
5 of termination.

6 *SEC. 131. Section 8409 of the Education Code is amended and*
7 *renumbered to read:*

8 ~~8409.~~

9 8348. All contracts entered into by the ~~State Department of~~
10 ~~Education~~ department pursuant to Section ~~8262~~ 8326 shall contain
11 a complete description of the appeal procedures provided in this
12 article.

13 *SEC. 132. The heading of Article 20 (commencing with Section*
14 *8440) of Chapter 2 of Part 6 of Division 1 of Title 1 of the*
15 *Education Code is repealed.*

16

17 ~~Article 20. Direct Service Contract Procedure~~

18

19 *SEC. 133. Section 8441 of the Education Code is amended and*
20 *renumbered to read:*

21 ~~8441.~~

22 8333. The ~~State Department of Education~~ department shall
23 develop and maintain a central distribution list for application
24 announcements.

25 *SEC. 134. Section 8442 of the Education Code is amended and*
26 *renumbered to read:*

27 ~~8442.~~

28 8334. Application announcements shall contain, but not be
29 limited to, the following information: the goals and objectives of
30 the program, identification of the specific minimum range of
31 services to be purchased related to those goals, quantitative as well
32 as qualitative measures ~~which that~~ will be used by the department
33 to evaluate service outcomes, specific criteria and a description of
34 the methodology and timetable ~~which that~~ will be followed to
35 review and approve applications, and all minimum performance
36 standards any agency is required to meet ~~prior to~~ before direct
37 service contract approval.

38 *SEC. 135. Section 8444 of the Education Code is amended and*
39 *renumbered to read:*

1 ~~8444.~~

2 8335. ~~The State Department of Education~~ *department* shall
 3 identify and transmit to all agencies awarded direct service
 4 contracts forms required for contract payments, management
 5 information or reports required pursuant to contract objectives,
 6 and conditions and methods for contract evaluations. Methods and
 7 conditions for payment recoveries, withholding of payments, and
 8 contract terminations relating to nonperformance shall also be
 9 identified. This information shall be provided in all cases ~~prior to~~
 10 *before* final approval of any direct service contract, unless the
 11 information is provided in the contract document.

12 *SEC. 136. Section 8445 of the Education Code is amended and*
 13 *renumbered to read:*

14 ~~8445.~~

15 8337. ~~The State Department of Education~~ *department* shall
 16 develop a grievance procedure for resolving disputes arising from
 17 the awarding or administering of direct service contracts, in
 18 addition to the remedies provided under the Administrative
 19 Procedure Act (Chapter 5 (commencing with Section 11500) of
 20 Part 1 of Division 3 of Title 2 of the Government Code).

21 *SEC. 137. Section 8447 of the Education Code is amended and*
 22 *renumbered to read:*

23 ~~8447.~~

24 8332. (a) The Legislature hereby finds and declares that greater
 25 efficiencies may be achieved in the execution of state subsidized
 26 ~~child care and development program~~ *early learning and*
 27 *educational support* contracts with public and private agencies by
 28 the timely approval of contract provisions by the Department of
 29 Finance, the Department of General Services, and the State
 30 Department of Education and by authorizing the State Department
 31 of Education to establish a multiyear application, contract
 32 expenditure, and service review as may be necessary to provide
 33 timely service while preserving audit and oversight functions to
 34 protect the public welfare.

35 (b) ~~(1) The Department of Finance and the Department of~~
 36 ~~General Services shall approve~~ *shall:*

37 (1) *Approve* or disapprove annual contract funding terms and
 38 conditions, including both family fee schedules and regional market
 39 rate schedules that are required to be adhered to by contract, and
 40 contract face sheets submitted by the State Department of

1 Education not more than 30 working days from the date of
2 submission, unless unresolved conflicts remain between the
3 Department of Finance, the State Department of Education, and
4 the Department of General Services. ~~The~~

5 (2) *Annually review contract funding terms and conditions for*
6 *the primary purpose of ensuring consistency between contracts*
7 *and the state budget. This review shall include evaluating any*
8 *proposed changes to contract language or other fiscal documents*
9 *to which the contractor is required to adhere, including those*
10 *changes to terms or conditions that authorize higher reimbursement*
11 *rates, that modify related adjustment factors, that modify*
12 *administrative or other service allowances, or that diminish fee*
13 *revenues otherwise available for services, to determine if the*
14 *change is necessary or has the potential effect of reducing the*
15 *number of full-time equivalent children that may be served.*

16 (c) *The State Department of Education shall resolve conflicts*
17 *within an additional 30 working day time period. Contracts and*
18 *funding terms and conditions shall be issued to child care*
19 *contractors no later than June 1. Applications*

20 (d) *Applications for new child care funding shall be issued not*
21 *more than 45 working days after the effective date of authorized*
22 *new allocations of child care moneys.*

23 ~~(2)~~

24 (e) *Notwithstanding paragraph (1) of subdivision (b), the State*
25 *Department of Education shall implement the regional market rate*
26 *schedules based upon the county aggregates, as determined by the*
27 *Regional Market survey conducted in 2005.*

28 ~~(3)~~

29 (f) *Notwithstanding paragraph (1) of subdivision (b), for the*
30 *2006–07 fiscal year, the State Department of Education shall update*
31 *the family fee schedules by family size, based on the 2005 state*
32 *median income survey data for a family of four. The family fee*
33 *schedule used during the 2005–06 fiscal year shall remain in effect.*
34 *However, the department shall adjust the family fee schedule for*
35 *families that are newly eligible to receive or will continue to*
36 *receive services under the new income eligibility limits. The family*
37 *fees shall not exceed 10 percent of the family’s monthly income.*

38 ~~(4)~~

39 (g) *Notwithstanding any other law, the family fee schedule that*
40 *was in effect for the 2007–08, 2008–09, 2009–10, and 2010–11*

1 fiscal years shall be adjusted to reflect the income eligibility limits
2 specified in subdivision (b) of Section 8263.1 for the 2011–12
3 fiscal year, and shall retain a flat fee per family. The revised family
4 fee schedule shall begin at income levels at which families
5 currently begin paying fees. The revised family fees shall not
6 exceed 10 percent of the family’s monthly income. The State
7 Department of Education shall first submit the adjusted fee
8 schedule to the Department of Finance for approval in order to be
9 implemented by July 1, 2011.

10 (5)

11 (h) Notwithstanding any other law, the family fee schedule that
12 was in effect for the 2011–12 fiscal year pursuant to ~~paragraph (4)~~
13 ~~subdivision (g)~~ shall remain in effect for the 2012–13 fiscal year,
14 and shall retain a flat fee per family.

15 ~~(6) It is the intent of the Legislature to fully fund the third stage~~
16 ~~of child care for former CalWORKs recipients.~~

17 ~~(e) With respect to subdivision (b), it is the intent of the~~
18 ~~Legislature that the Department of Finance annually review~~
19 ~~contract funding terms and conditions for the primary purpose of~~
20 ~~ensuring consistency between child care contracts and the child~~
21 ~~care budget. This review shall include evaluating any proposed~~
22 ~~changes to contract language or other fiscal documents to which~~
23 ~~the contractor is required to adhere, including those changes to~~
24 ~~terms or conditions that authorize higher reimbursement rates, that~~
25 ~~modify related adjustment factors, that modify administrative or~~
26 ~~other service allowances, or that diminish fee revenues otherwise~~
27 ~~available for services, to determine if the change is necessary or~~
28 ~~has the potential effect of reducing the number of full-time~~
29 ~~equivalent children that may be served.~~

30 ~~(d) Alternative payment child care systems, as set forth in Article~~
31 ~~3 (commencing with Section 8220), shall be subject to the rates~~
32 ~~established in the Regional Market Rate Survey of California Child~~
33 ~~Care Providers for provider payments. The State Department of~~
34 ~~Education shall contract to conduct and complete a Regional~~
35 ~~Market Rate Survey no more frequently than once every two years,~~
36 ~~consistent with federal regulations, with a goal of completion by~~
37 ~~March 1.~~

38 (e)

39 (i) By March 1 of each year, the Department of Finance shall
40 provide to the State Department of Education the State Median

1 Income amount for a four-person household in California based
2 on the best available data. The State Department of Education shall
3 adjust its fee schedule for child care providers to reflect this
4 updated state median income; however, no changes based on
5 revisions to the state median income amount shall be implemented
6 midyear.

7 ~~(f)~~

8 (j) Notwithstanding the June 1 date specified in subdivision (b),
9 changes to the regional market rate schedules and fee schedules
10 may be made at any other time to reflect the availability of accurate
11 data necessary for their completion, provided these documents
12 receive the approval of the Department of Finance. The Department
13 of Finance shall review the changes within 30 working days of
14 submission and the State Department of Education shall resolve
15 conflicts within an additional 30 working day period. Contractors
16 shall be given adequate notice prior to the effective date of the
17 approved schedules. It is the intent of the Legislature that contracts
18 for services not be delayed by the timing of the availability of
19 accurate data needed to update these schedules.

20 ~~(g)~~

21 (k) Notwithstanding any other ~~provision of~~ law, no family
22 receiving CalWORKs cash aid may be charged a family fee.

23 *SEC. 138. Section 8447.5 of the Education Code is amended*
24 *and renumbered to read:*

25 ~~8447.5.~~

26 ~~8336. The State Department of Education~~ *department* may
27 execute a multiyear application process. Multiyear applications
28 may only be submitted by public and private agencies that have
29 been fully compliant in executing prior contracts for at least the
30 preceding three fiscal years as evidenced by all of the following:

31 (a) No fiscal audit disclaimer.

32 (b) No program quality deficiencies.

33 (c) No contract compliance deficiencies.

34 (d) No incidents of child abuse or molestation.

35 (e) No program management, administrative, or staffing
36 deficiencies.

37 (f) Any other criteria as may be deemed necessary to safeguard
38 the public trust.

1 SEC. 139. *The heading of Article 21 (commencing with Section*
2 *8448) of Chapter 2 of Part 6 of Division 1 of Title 1 of the*
3 *Education Code is repealed.*

4

5 ~~Article 21. Direct Service Contract Audit Requirements~~

6

7 SEC. 140. *Section 8450 of the Education Code is amended and*
8 *renumbered to read:*

9 ~~8450.~~

10 8369. (a) ~~All child development~~ contractors are encouraged
11 to develop and maintain a reserve within the child development
12 fund, derived from earned but unexpended funds.—~~Child~~
13 ~~development contractors~~ *Contractors* may retain all earned funds.
14 For the purpose of this section, “earned funds” are those for which
15 the required number of eligible service units have been provided.

16 (b) (1) Earned funds shall not be expended for any activities
17 proscribed by Section ~~8406.7~~ 8344. Earned but unexpended funds
18 shall remain in the contractor’s reserve account within the child
19 development fund and shall be expended only by direct service
20 ~~child development~~ *early learning and educational support*
21 programs that are funded under contract with the department.

22 (2) ~~Commencing July 1, 2011, a~~ A contractor may retain a
23 reserve fund balance, separate from the reserve fund retained
24 pursuant to subdivision (c) or (d), equal to 5 percent of the sum of
25 the maximum reimbursable amounts of all contracts to which the
26 contractor is a party, or two thousand dollars (\$2,000), whichever
27 is greater. This paragraph applies to direct *classroom* service-~~child~~
28 ~~development~~ programs that are funded under contract with the
29 department.

30 (c) Notwithstanding subdivisions (a) and (b), a contractor may
31 retain a reserve fund balance for a resource and referral program,
32 separate from the balance retained pursuant to subdivision (b) or
33 (d), not to exceed 3 percent of the contract amount. Funds from
34 this reserve account may be expended only by resource and referral
35 programs that are funded under contract with the department.

36 (d) Notwithstanding subdivisions (a) and (b), a contractor may
37 retain a reserve fund balance for alternative payment model and
38 certificate child care contracts, separate from the reserve fund
39 retained pursuant to subdivisions (b) and (c). Funds from this
40 reserve account may be expended only by alternative payment

1 model and certificate child care programs that are funded under
2 contract with the department. The reserve amount allowed by this
3 section may not exceed either of the following, whichever is
4 greater:

5 (1) Two percent of the sum of the parts of each contract to which
6 that contractor is a party that is allowed for administration pursuant
7 to Section ~~8276.7~~ 8356 and that is allowed for supportive services
8 pursuant to the provisions of the contract.

9 (2) One thousand dollars (\$1,000).

10 (e) Each contractor's audit shall identify any funds earned by
11 the contractor for each contract through the provision of contracted
12 services in excess of funds expended.

13 (f) Any interest earned on reserve funds shall be included in the
14 fund balance of the reserve. This reserve fund shall be maintained
15 in an interest-bearing account.

16 (g) Moneys in a contractor's reserve fund may be used only for
17 expenses that are reasonable and necessary costs as defined in
18 subdivision ~~(n)~~ (s) of Section 8208.

19 (h) Any reserve fund balance in excess of the amount authorized
20 pursuant to subdivisions (b), (c), and (d) shall be returned to the
21 department pursuant to procedures established by the department.

22 (i) Upon termination of all child development contracts between
23 a contractor and the department, all moneys in a contractor's
24 reserve fund shall be returned to the department pursuant to
25 procedures established by the department.

26 (j) Expenditures from, additions to, and balances in, the reserve
27 fund shall be included in the agency's annual financial statements
28 and audit.

29 *SEC. 141. The heading of Article 23 (commencing with Section*
30 *8485) of Chapter 2 of Part 6 of Division 1 of Title 1 of the*
31 *Education Code is repealed.*

32

33 ~~Article 23. Child Supervision Programs~~

34

35 *SEC. 142. The heading of Article 25 (commencing with Section*
36 *8490) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of*
37 *the Education Code, to read:*

38

39 *Article 25. San Francisco Pilot Project*

40

1 SEC. 143. The heading of Article 26 (commencing with Section
2 8492) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of
3 the Education Code, to read:

4

5 Article 26. San Mateo Pilot Project

6

7 SEC. 144. The heading of Article 24 (commencing with Section
8 8493) of Chapter 2 of Part 6 of Division 1 of Title 1 of the
9 Education Code is repealed.

10

11 Article 24. ~~Child Care and Development Facilities Capital~~
12 ~~Outlay~~

13

14 SEC. 145. Section 8493 of the Education Code is amended and
15 renumbered to read:

16

~~8493.~~

17

8387. It is the intent of the Legislature that funds be
18 appropriated for capital outlay for purposes of providing facilities
19 for ~~child care and development~~ services provided pursuant to this
20 chapter, including, but not limited to, all of the following purposes:

21

(a) For the purchase of relocatable facilities by the state for lease
22 to qualifying contracting agencies in areas with no available
23 economically practical or feasible child care and development
24 facilities.

25

(b) For renovation and repair of child care and development
26 facilities in order to comply with state and local health and safety
27 standards and licensing requirements, without unnecessarily
28 increasing the value of the facility.

29

SEC. 146. Section 8494 of the Education Code is amended and
30 renumbered to read:

31

~~8494.~~

32

8402. (a) All of the following ~~child care and development~~
33 programs, other than those providing extended day-care services,
34 shall be eligible to receive a loan for the renovation and repair of
35 facilities used for the program or to lease relocatable facilities to
36 be used for the program:

37

(1) Private nonprofit ~~child care and development~~ programs
38 currently, or soon to be, under contract with the ~~State Department~~
39 ~~of Education~~ department pursuant to Section ~~8262~~ 8326.

- 1 ~~(2) Child care and development programs conducted pursuant~~
2 ~~to Article 4 (commencing with Section 8225):~~
- 3 ~~(3) Child care and development~~
4 (2) *Early learning and educational support* programs operated
5 by, or in a facility owned by, a public entity.
- 6 ~~(4) Child care and development~~
7 (3) *Early learning and educational support* programs conducted
8 pursuant to Article 7.1 (commencing with Section 54740) of
9 Chapter 9 of Part 29.
- 10 (b) A recipient of a loan pursuant to this section shall document
11 that the renovated facility shall comply with all laws and
12 regulations applicable to child care facilities provided for pursuant
13 to Chapter 3.4 (commencing with Section 1596.70) and Chapter
14 3.5 (commencing with Section 1596.90) of Division 2 of the Health
15 and Safety Code.
- 16 (c) A recipient of a loan pursuant to this section shall assure the
17 board that the renovated facility shall be used for the purposes of
18 ~~the child care and development~~ *early learning and educational*
19 *support* program for the entire loan period, which shall be
20 determined by the board as follows:
- 21 (1) For loans equal to or less than thirty thousand dollars
22 (\$30,000), not less than three years.
- 23 (2) For loans exceeding thirty thousand dollars (\$30,000), the
24 loan period shall increase one year for each additional ten thousand
25 dollars (\$10,000) or part thereof, to a maximum of fifty thousand
26 dollars (\$50,000).
- 27 (d) Interest on the loan principal shall be charged at a rate equal
28 to the average of the interest rate applied to the last three bond
29 sales pursuant to Chapter 21.6 (commencing with Section 17695)
30 of Part 10.
- 31 (e) In the event that a recipient ceases to use the renovated
32 facility for purposes of ~~the child care and development~~ program
33 ~~prior to~~ *before* the expiration of the loan period, the board shall
34 collect the entire outstanding balance of the loan, plus interest,
35 notwithstanding the loan period originally set pursuant to
36 subdivision (c), unless the board deems it appropriate to waive
37 repayment at that time.
- 38 (f) If the renovated facility has been continuously used for
39 purposes of ~~the child care and development~~ program for the entire

1 loan period, the board shall waive repayment of the amount of the
2 loan principal, plus interest, at the end of the loan period.

3 *SEC. 147. Section 8495 of the Education Code is amended and*
4 *renumbered to read:*

5 ~~8495.~~

6 8403. (a) There is hereby created in the State Treasury the
7 State Child Care Capital Outlay Fund. Notwithstanding Section
8 13340 of the Government Code, all moneys in the State Child Care
9 Capital Outlay Fund, including moneys deposited in that fund from
10 any source whatsoever, shall be continuously appropriated without
11 regard to fiscal year for expenditure pursuant to the provisions of
12 this article. The fund shall be administered by the State Allocation
13 Board, which may authorize the expenditure of any moneys in the
14 fund for capital outlay projects pursuant to Section 8277.7 or this
15 article. Funds in the State Child Care Facilities Fund set aside for
16 the purposes of providing extended day care facilities pursuant to
17 Section 8477 shall be transferred to the State Child Care Capital
18 Outlay Fund upon the effective date of the act amending this
19 section in the 1997–98 Regular Session.

20 (b) The Superintendent of ~~Public Instruction~~ shall establish the
21 qualifications to determine the eligibility of child care and
22 development agencies, including those that provide preschool and
23 extended day care services, to lease relocatable facilities under
24 this section.

25 (c) Although primary use of relocatable facilities shall be for
26 child care and development programs, including preschool and
27 extended day care programs, those facilities may be used for other
28 purposes if the following conditions are met:

29 (1) The alternative use of the facility does not infringe upon the
30 accessibility of child care and development programs including
31 preschool or extended day care programs.

32 (2) The Superintendent of ~~Public Instruction~~ authorizes
33 alternative use as being compatible with child care and
34 development programs, including preschool or extended day care
35 programs.

36 (d) The State Allocation Board, with the advice of the
37 Superintendent of ~~Public Instruction~~, may do all of the following:

38 (1) Establish any procedures and policies in connection with
39 the administration of this section that it deems necessary.

1 (2) Adopt any rules and regulations for the administration of
2 this section requiring those procedures, forms, and information
3 that it deems necessary.

4 (3) Have constructed, furnished, equipped, or otherwise require
5 whatever work is necessary to place relocatable facilities for child
6 care and development services, including preschool and extended
7 day care services where needed.

8 (e) The board shall lease relocatable facilities to qualifying
9 agencies providing child care and development services, including
10 preschool or extended day care services, and shall charge rent of
11 one dollar (\$1) per year. The board shall require lessees to
12 undertake all necessary maintenance, repairs, renewal, and
13 replacement to ensure that a project is at all times kept in good
14 repair, working order, and condition. All costs incurred for this
15 purpose shall be borne by the lessee. Neither the board nor the
16 state shall assume any responsibility for utility services costs other
17 than initial installation costs reimbursed under this article, and the
18 agency shall provide adequate safeguards to protect the state's
19 interest in this regard.

20 (f) The board shall require lessees to insure at their own expense
21 for the benefit of the state, any leased relocatable facility that is
22 the property of the state, against any risks, including liability from
23 the use thereof, in the amounts the board deems necessary to protect
24 the interests of the state. Neither the board nor the state shall
25 assume any responsibility for utility services costs other than initial
26 installation costs reimbursed under this article, and the agency
27 shall provide adequate safeguards to protect the state's interest in
28 this regard.

29 (g) No relocatable facilities shall be made available to an agency
30 unless the agency furnishes evidence, satisfactory to the board,
31 that the agency has no other facility available for rental, lease, or
32 purchase in the geographic service area that is economically or
33 otherwise feasible.

34 (h) The board shall have prepared for its use, performance
35 specifications for relocatable facilities and bids for their
36 construction that can be solicited from more than one responsible
37 bidder. The board shall from time to time solicit bids from, and
38 award to, the lowest responsible competitive bidder, contracts for
39 the construction or purchase of relocatable facilities that have been
40 approved for lease to eligible agencies that provide child care and

1 development services, including preschool or extended day care
2 services.

3 (i) If at any time the board determines that a lessee's need for
4 particular relocatable facilities that were made available to the
5 lessee pursuant to this article has ceased, the board may take
6 possession of the relocatable facilities and may lease them to other
7 eligible contracting agencies, or, if there is no longer a need for
8 the relocatable facilities, the board may dispose of them to public
9 or private parties in the manner it deems to be in the best interests
10 of the state.

11 (j) If a lessee uses a particular relocatable facility for only a
12 portion of the year, the board may enter into a second lease with
13 a public or private party for the use of that facility for the portion
14 of the year during which the facility would otherwise be unused,
15 in the manner it deems to be in the best interests of the state. The
16 lessee shall be subject to subdivisions (d) and (f).

17 *SEC. 148. Section 8495.1 of the Education Code is amended*
18 *and renumbered to read:*

19 ~~8495.1.~~

20 *8404.* (a) The State Allocation Board shall establish regulations
21 for the allocation of funds for capital outlay and for the
22 reimbursement of initial utility installation costs for purposes of
23 this chapter. The Superintendent ~~of Public Instruction~~ shall
24 establish qualifications for determining the eligibility of agencies
25 providing child care and development services, including preschool
26 and extended day care service, to apply for these funds.

27 (b) Notwithstanding any other ~~provision of~~ law, except for
28 Section 8477, priority in funding of capital outlay grants or
29 relocatables from funds administered pursuant to Section ~~8277.7~~
30 8396 and under this article, shall be determined in the following
31 order:

32 (1) Programs experiencing emergencies as defined by the
33 Superintendent ~~of Public Instruction~~ and the State Allocation
34 Board.

35 (2) Facilities lost due to the Class Size Reduction Program
36 (Chapter 6.10 (commencing with Section 52120) of Part 28).

37 (3) Expansion of child care services.

38 *SEC. 149. The heading of Article 27 (commencing with Section*
39 *8496) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of*
40 *the Education Code, to read:*

1 *Article 27. Early Learning and Educational Support Subsidy*
2 *Plan*

3
4 *SEC. 150. Section 8496 of the Education Code is amended and*
5 *renumbered to read:*

6 ~~8496.~~

7 8405. The State Allocation Board may use an amount not to
8 exceed four hundred thousand dollars (\$400,000), or 4 percent of
9 the total funds available for the purposes of this article, whichever
10 is less, in any given fiscal year for necessary administrative costs
11 incurred pursuant to this article, including, but not limited to, the
12 establishment of new administrative positions.

13 *SEC. 151. Section 8498 of the Education Code is amended and*
14 *renumbered to read:*

15 ~~8498.~~

16 8406. (a) The State Allocation Board may use up to 5 percent
17 of any appropriation for the purposes of this article to provide
18 loans to private nonsectarian ~~child care and development~~ *early*
19 *learning and educational support* programs not under contract
20 with the department for renovation and repair of existing program
21 facilities, in accordance with this section.

22 (b) The Superintendent shall establish qualifications to determine
23 the eligibility of child care agencies for loans pursuant to this
24 section.

25 (c) The board, with any necessary assistance from the
26 Superintendent, may do any of the following:

27 (1) Establish procedures and policies in connection with the
28 administration of this section it deems necessary.

29 (2) Adopt rules and regulations for the administration of this
30 section requiring procedure, forms, and information it deems
31 necessary.

32 (d) A recipient of a loan pursuant to this section shall do all of
33 the following:

34 (1) Document that the renovated facility shall comply with all
35 laws and regulations applicable to child care facilities provided
36 for pursuant to Chapter 3.4 (commencing with Section 1596.70)
37 and Chapter 3.5 (commencing with Section 1596.90) of Division
38 2 of the Health and Safety Code.

1 (2) Demonstrate to the satisfaction of the board that it will have
2 sufficient revenues to pay the principal and interest on the loan
3 and to maintain the operation of the child care facility.

4 (e) A recipient of a loan pursuant to this section shall assure the
5 board that the renovated facility shall be used for purposes of the
6 ~~child care and development~~ program for the following periods:

7 (1) For loans equal to or less than thirty thousand dollars
8 (\$30,000), not less than three years from the beginning of the loan
9 period.

10 (2) For loans exceeding thirty thousand dollars (\$30,000), the
11 fixed period of time shall increase one year for each additional ten
12 thousand dollars (\$10,000) or part thereof, to a maximum of fifty
13 thousand dollars (\$50,000).

14 (f) The board shall set the period of the loan for each recipient,
15 up to a maximum of 10 years, based upon the amount of the loan,
16 the recipient’s ability to repay the loan, and the length of time the
17 recipient has committed to use the renovated facility for purposes
18 of the ~~child care and development~~ program.

19 (g) Interest on the loan principal shall be charged at a rate equal
20 to the average of the interest rate applied to the last three bond
21 sales pursuant to Chapter 21.6 (commencing with Section 17695)
22 of Part 10.

23 (h) In the event that a recipient ceases to use the renovated
24 facility for purposes of the ~~child care and development~~ program
25 ~~prior to~~ before the expiration of the period specified pursuant to
26 subdivision (e), the board shall collect the entire outstanding
27 balance of the loan, plus interest, notwithstanding the loan period
28 originally set pursuant to subdivision (f).

29 *SEC. 152. The heading of Article 18 (commencing with Section*
30 *8407) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of*
31 *the Education Code, to read:*

32
33 *Article 18. Local Educational Agencies and Community College*
34 *Provisions*

35
36 *SEC. 153. The heading of Chapter 2.3 (commencing with*
37 *Section 8499) of Part 6 of Division 1 of Title 1 of the Education*
38 *Code is repealed.*

39
40 ~~CHAPTER 2.3. LOCAL PLANNING COUNCILS~~

1 *SEC. 154. The heading of Article 1 (commencing with Section*
2 *8499) of Chapter 2.3 of Part 6 of Division 1 of Title 1 of the*
3 *Education Code is repealed.*

4
5 Article 1. Definitions
6

7 *SEC. 155. Section 8499 of the Education Code is repealed.*
8 ~~8499. For purposes of this chapter, the following definitions~~
9 ~~shall apply:~~

10 ~~(a) “Block grant” means the block grant contained in Title VI~~
11 ~~of the Child Care and Development Fund, as established by the~~
12 ~~federal Personal Responsibility and Work Opportunity~~
13 ~~Reconciliation Act of 1996 (P.L. 104-193).~~

14 ~~(b) “Child care” means all licensed child care and development~~
15 ~~services and license-exempt child care, including, but not limited~~
16 ~~to, private for-profit programs, nonprofit programs, and publicly~~
17 ~~funded programs, for all children up to and including 12 years of~~
18 ~~age, including children with exceptional needs and children from~~
19 ~~all linguistic and cultural backgrounds.~~

20 ~~(c) “Child care provider” means a person who provides child~~
21 ~~care services or represents persons who provide child care services.~~

22 ~~(d) “Community representative” means a person who represents~~
23 ~~an agency or business that provides private funding for child care~~
24 ~~services, or who advocates for child care services through~~
25 ~~participation in civic or community-based organizations but is not~~
26 ~~a child care provider and does not represent an agency that~~
27 ~~contracts with the State Department of Education to provide child~~
28 ~~care and development services.~~

29 ~~(e) “Consumer” means a parent or person who receives, or who~~
30 ~~has received within the past 36 months, child care services.~~

31 ~~(f) “Department” means the State Department of Education.~~

32 ~~(g) “Local planning council” means a local child care and~~
33 ~~development planning council as described in Section 8499.3.~~

34 ~~(h) “Public agency representative” means a person who~~
35 ~~represents a city, county, city and county, or local educational~~
36 ~~agency.~~

37 *SEC. 156. The heading of Article 2 (commencing with Section*
38 *8499.3) of Chapter 2.3 of Part 6 of Division 1 of Title 1 of the*
39 *Education Code is repealed.*

1 Article 2. ~~Membership and Funding of Local Child Care and~~
2 ~~Development Planning Councils~~

3
4 SEC. 157. Section 8499.3 of the Education Code is amended
5 and renumbered to read:

6 ~~8499.3.~~

7 8300. (a) It is the intent of the Legislature that local child care
8 and development planning councils shall provide a forum for the
9 identification of local priorities for ~~child care~~ *early learning and*
10 *educational support* and the development of policies to meet the
11 needs identified within those priorities.

12 (b) The county board of supervisors and the county
13 superintendent of schools shall do both of the following:

14 (1) Select the members of the local planning council. Before
15 making selections pursuant to this subdivision, the board of
16 supervisors and the county superintendent of schools shall publicize
17 their intention to select the members and shall invite local
18 organizations to submit nominations. In counties in which the
19 superintendent is appointed by the county board of education, the
20 county board of education may make the appointment or may
21 delegate that responsibility to the superintendent.

22 (2) Establish the term of appointment for the members of the
23 local planning council.

24 (c) (1) The local planning council shall be comprised as follows:

25 (A) Twenty percent of the membership shall be consumers.

26 (B) Twenty percent of the membership shall be child care
27 providers, reflective of the range of child care providers in the
28 county.

29 (C) Twenty percent of the membership shall be public agency
30 representatives.

31 (D) Twenty percent of the membership shall be community
32 representatives, who shall not be child care providers or agencies
33 that contract with the department to provide child care and
34 development services.

35 (E) The remaining 20 percent shall be appointed at the discretion
36 of the appointing agencies.

37 (2) The board of supervisors and the *county* superintendent of
38 schools shall each appoint one-half of the members. In the case of
39 uneven membership, both appointing entities shall agree on the
40 odd-numbered appointee.

1 (d) Every effort shall be made to ensure that the ethnic, racial,
2 and geographic composition of the local planning council is
3 reflective of the ethnic, racial, and geographic distribution of the
4 population of the county.

5 (e) The board of supervisors and county superintendent of
6 schools may designate an existing child care planning council or
7 coordinated child and family services council as the local planning
8 council, as long as it has or can achieve the representation set forth
9 in this section.

10 (f) Upon establishment of a local planning council, the local
11 planning council shall elect a chair and select a staff.

12 (g) Each local planning council shall develop and implement a
13 training plan to provide increased efficiency, productivity, and
14 facilitation of local planning council meetings. This may include
15 developing a training manual, hiring facilitators, and identifying
16 strategies to meet the objectives of the council.

17 (h) No member of a local planning council shall participate in
18 a vote if he or she has a proprietary interest in the outcome of the
19 matter being voted upon.

20 *SEC. 158. Section 8499.5 of the Education Code is amended*
21 *and renumbered to read:*

22 ~~8499.5:~~

23 8301. (a) The department shall allocate child care funding
24 pursuant to ~~Chapter 2 (commencing with Section 8200)~~ *this chapter*
25 based on the amount of state and federal funding that is available.

26 (b) By May 30 of each year, upon approval by the county board
27 of supervisors and the county superintendent of schools, a local
28 planning council shall submit to the department the local priorities
29 it has identified that reflect all child care needs in the county. To
30 accomplish this, a local planning council shall do all of the
31 following:

32 (1) Conduct an assessment of child care needs in the county no
33 less than once every five years. The department shall define and
34 prescribe data elements to be included in the needs assessment and
35 shall specify the format for the data reporting. The needs
36 assessment shall also include all factors deemed appropriate by
37 the local planning council in order to obtain an accurate picture of
38 the comprehensive child care needs in the county. The factors
39 include, but are not limited to, all of the following:

40 (A) The needs of families eligible for subsidized child care.

1 (B) The needs of families not eligible for subsidized child care.

2 (C) The waiting lists for programs funded by the department
3 and the State Department of Social Services.

4 (D) The need for child care for children determined by the child
5 protective services agency to be neglected, abused, or exploited,
6 or at risk of being neglected, abused, or exploited.

7 (E) The number of children in families receiving public
8 assistance, including CalFresh benefits, housing support, and
9 Medi-Cal, and assistance from the Healthy Families Program and
10 the Temporary Assistance for Needy Families (TANF) program.

11 (F) Family income among families with preschool or schoolage
12 children.

13 (G) The number of children in migrant agricultural families
14 who move from place to place for work or who are currently
15 dependent for their income on agricultural employment in
16 accordance with ~~subdivision (a) of, and paragraphs (1) and (2) of~~
17 ~~subdivision (b) (a) of, Section 8231~~ 8222.

18 (H) The number of children who have been determined by a
19 regional center to require services pursuant to an individualized
20 family service plan, or by a local educational agency to require
21 services pursuant to an individualized education program or an
22 individualized family service plan.

23 (I) The number of children in the county by primary language
24 spoken pursuant to the department's language survey.

25 (J) Special needs based on geographic considerations, including
26 rural areas.

27 (K) The number of children needing child care services by age
28 cohort.

29 (2) Document information gathered during the needs assessment
30 which shall include, but need not be limited to, data on supply,
31 demand, cost, and market rates for each category of child care in
32 the county.

33 (3) Encourage public input in the development of the priorities.
34 Opportunities for public input shall include at least one public
35 hearing during which members of the public can comment on the
36 proposed priorities.

37 (4) Prepare a comprehensive countywide child care plan
38 designed to mobilize public and private resources to address
39 identified needs.

1 (5) Conduct a periodic review of child care programs funded
2 by the department and the State Department of Social Services to
3 determine if identified priorities are being met.

4 (6) Collaborate with subsidized and nonsubsidized child care
5 providers, county welfare departments, human service agencies,
6 regional centers, job training programs, employers, integrated child
7 and family service councils, local and state children and families
8 commissions, parent organizations, early start family resource
9 centers, family empowerment centers on disability, local child care
10 resource and referral programs, and other interested parties to
11 foster partnerships designed to meet local child care needs.

12 ~~(7) Design a system to consolidate local child care waiting lists,~~
13 ~~if a centralized eligibility list is not already in existence.~~

14 ~~(8)~~

15 (7) Coordinate part-day programs, including state preschool
16 and Head Start, with other child care and development services to
17 provide full-day child care.

18 ~~(9)~~

19 (8) Submit the results of the needs assessment and the local
20 priorities identified by the local planning council to the board of
21 supervisors and the county superintendent of schools for approval
22 before submitting them to the department.

23 ~~(10)~~

24 (9) Identify at least one, but not more than two, members to
25 serve as part of the department team that reviews and scores
26 proposals for the provision of services funded through contracts
27 with the department. Local planning council representatives may
28 not review and score proposals from the geographic area covered
29 by their own local planning council. The department shall notify
30 each local planning council whenever this opportunity is available.

31 (c) The department shall, in conjunction with the State
32 Department of Social Services and all appropriate statewide
33 agencies and associations, develop guidelines for use by local
34 planning councils to assist them in conducting needs assessments
35 that are reliable and accurate. The guidelines shall include
36 acceptable sources of demographic and child care data, and
37 methodologies for assessing child care supply and demand.

38 (d) The department shall allocate funding within each county
39 in accordance with the priorities identified by the local planning
40 council of that county and submitted to the department pursuant

1 to this section, unless the priorities do not meet the requirements
2 of state or federal law.

3 *SEC. 159. Section 8499.7 of the Education Code is amended*
4 *and renumbered to read:*

5 8499.7.

6 8302. It is the intent of the Legislature that any additional
7 conditions imposed upon local planning councils shall be funded
8 from available federal funds to the greatest extent legally possible.

9 ~~SECTION 1. Section 8202 of the Education Code is amended~~
10 ~~to read:~~

11 ~~8202. It is the intent of the Legislature that:~~

12 ~~(a) All children in California have access to high-quality early~~
13 ~~learning and education support programs so that they thrive in~~
14 ~~their early learning settings and succeed throughout kindergarten~~
15 ~~and grades 1 to 12, inclusive. It is further the intent of the~~
16 ~~Legislature that this be accomplished through the creation of a~~
17 ~~comprehensive early learning and school support system for~~
18 ~~children from birth through third grade that will promote both of~~
19 ~~the following:~~

20 ~~(1) Access to safe, high-quality programs.~~

21 ~~(2) Comprehensive support for the development of the whole~~
22 ~~child, including healthy physical, cognitive, social, and emotional~~
23 ~~growth and development.~~

24 ~~(b) All families have access to child care and development~~
25 ~~services, through resource and referral services, where appropriate,~~
26 ~~regardless of ethnic status, cultural background, or special needs.~~
27 ~~It is further the intent that subsidized child care and development~~
28 ~~services be provided to persons meeting the eligibility criteria~~
29 ~~established under this chapter to the extent funding is made~~
30 ~~available by the Legislature and Congress.~~

31 ~~(c) Families achieve and maintain their personal, social,~~
32 ~~economic, and emotional stability through an opportunity to attain~~
33 ~~financial stability through employment, while maximizing growth~~
34 ~~and development of their children, and enhancing their parenting~~
35 ~~skills through participation in child care and development~~
36 ~~programs.~~

37 ~~(d) Community-level coordination in support of child care and~~
38 ~~development services be encouraged.~~

1 (e) Families have a choice of programs that allow for maximum
2 involvement in planning, implementation, operation, and evaluation
3 of child care and development programs.

4 (f) Parents and families be fully informed of their rights and
5 responsibilities to evaluate the quality and safety of child care
6 programs, including, but not limited to, their right to inspect child
7 care licensing files.

8 (g) Planning for expansion of child care and development
9 programs be based on ongoing local needs assessments.

10 (h) The Superintendent, in providing funding to child care and
11 development agencies, promote a range of services that will allow
12 parents the opportunity to choose the type of care most suited to
13 their needs. The program scope may include the following:

14 (1) Programs located in centers, family day care homes, or in
15 the child's own home.

16 (2) Services provided part-day, full-day, and during nonstandard
17 hours including weekend care, night and shift care, before and
18 after school care, and care during holidays and vacation.

19 (3) Child care services provided for infants, preschool, and
20 schoolage children.

21 (i) The Superintendent be responsible for the establishment of
22 a public hearing process or other public input process that ensures
23 the participation of those agencies directly affected by a particular
24 section or sections of this chapter.

25 SEC. 2. Section 8214 of the Education Code is amended to
26 read:

27 8214. (a) Child care resources and referral shall be provided
28 to all persons requesting services and to all types of child care
29 providers, regardless of income level or other eligibility criteria.
30 In addition to the services prescribed by this section, child care
31 resource and referral may provide a wide variety of parent and
32 provider support and educational services.

33 (b) The information provided to parents pursuant to subdivision
34 (a) of Section 8220.5 shall be provided to all families determined
35 eligible for and receiving services through the alternative payment
36 programs established pursuant to Article 3 (commencing with
37 Section 8220) and to all parents eligible for and receiving services
38 through the CalWORKs stage 2 and stage 3 programs pursuant to
39 Article 15.5 (commencing with Section 8350). These services shall
40 be provided at the time the family is determined eligible for child

1 care services and at recertification of eligibility so that parents
2 may make informed choices about child care services available.
3 Priority shall be given to providing information about child care
4 services that offer a safe, caring, and age-appropriate early learning
5 and school support environment for children as well as an
6 environment that supports the parents' work activity. When
7 providing information to parents about high-quality early learning
8 and school support options, child care resource and referral
9 agencies may use resources from the certified list posted on the
10 department's Internet Web site required by subdivision (c) or may
11 develop local resources that shall include, but are not limited to,
12 the following:

13 (1) Licensing and trustline requirements for centers, family
14 homes, and homes exempt from licensure.

15 (2) Caretaker-child interactions.

16 (3) Caretaker experience with young children.

17 (4) Environments that support the healthy development of young
18 children.

19 (5) Daily or regular schedules, routines, and policies.

20 (6) Information on quality rating and improvement systems,
21 where available.

22 (c) The department shall develop and certify a list of high-quality
23 early learning and school support resources to provide parents with
24 information about high-quality options for child care. The list of
25 certified resources shall be posted and maintained on the
26 department's Internet Web site.

27 (d) The department shall make the resources described in
28 subdivision (c) available to both resource and referral programs
29 and alternative payment programs.

30 SEC. 3. Section 8220.5 of the Education Code is amended to
31 read:

32 8220.5. To offer maximum support for parents and providers,
33 alternative payment programs shall have access to resource and
34 referral services. Funding shall be adequate to purchase care at the
35 fee charged the private client for the same service as well as to
36 provide locally designed support services for parents and providers.
37 Alternative payment programs shall, in collaboration with the
38 resource and referral agencies in the county, provide the following
39 support services:

1 (a) ~~(1) At the time the family is determined eligible for child~~
2 ~~care services and at recertification of eligibility, provide~~
3 ~~information for parents to assist them in making informed choices~~
4 ~~about the available types of care that offer a safe, caring, and~~
5 ~~age-appropriate early learning and school support environment for~~
6 ~~children as well as an environment that supports the parents' work~~
7 ~~activities, including, but not limited to, information about~~
8 ~~high-quality early learning and school support resources identified~~
9 ~~pursuant to subdivision (b) of Section 8214.~~

10 ~~(2) Where available, provide information on quality rating and~~
11 ~~improvement systems.~~

12 ~~(b) Professional and technical assistance and information for~~
13 ~~providers.~~

14 ~~(c) Parenting information.~~

15 ~~SEC. 4. Section 8352 of the Education Code is amended to~~
16 ~~read:~~

17 ~~8352. (a) As soon as appropriate, a county welfare department~~
18 ~~shall refer families needing child care services to the local child~~
19 ~~care resource and referral program funded pursuant to Article 2~~
20 ~~(commencing with Section 8210). Resource and referral program~~
21 ~~staff shall colocate with a county welfare department's case~~
22 ~~management offices for aid under Chapter 2 (commencing with~~
23 ~~Section 11200) of Part 3 of Division 9 of the Welfare and~~
24 ~~Institutions Code, or any successor program, or arrange other~~
25 ~~means of swift communication with parents and case managers of~~
26 ~~this aid. The local child care resource and referral program shall~~
27 ~~assist families to establish stable child care arrangements as soon~~
28 ~~as possible. These child care arrangements may include licensed~~
29 ~~and license-exempt care.~~

30 ~~(b) In providing the support services required by Section 8220.5,~~
31 ~~the resource and referral agencies in the county shall provide~~
32 ~~information regarding high-quality early learning and school~~
33 ~~support resources identified pursuant to subdivision (b) of Section~~
34 ~~8214. Where available, that information shall include information~~
35 ~~on quality rating and improvement systems.~~

36 ~~(c) A program operating pursuant to this article shall, within~~
37 ~~two business days of being notified of a revocation or a temporary~~
38 ~~suspension order for a licensed child day care facility, do both of~~
39 ~~the following:~~

40 ~~(1) Terminate payment to the facility.~~

1 ~~(2) Notify each parent and the facility in writing that payment~~
2 ~~has been terminated and the reason for the termination.~~
3 ~~(d) A program operating pursuant to this article shall, upon~~
4 ~~being notified that a licensed child care facility has been placed~~
5 ~~on probation, provide written notice to each parent utilizing the~~
6 ~~facility that the facility has been placed on probation and that the~~
7 ~~parent has the option of selecting a different child day care provider~~
8 ~~or remaining with the facility without risk of subsidy payments to~~
9 ~~the provider being terminated. The Legislature urges each agency~~
10 ~~operating pursuant to this section to provide the written notice~~
11 ~~required by this subdivision in the primary language of the parent,~~
12 ~~to the extent feasible.~~