AMENDED IN ASSEMBLY APRIL 21, 2003

CALIFORNIA LEGISLATURE—2003-04 REGULAR SESSION

ASSEMBLY BILL

No. 1326

Introduced by Assembly Member Simitian

February 21, 2003

An act to add and repeal Article 15.3 (commencing with Section 8340) of Chapter 2 of Part 6 of the Education Code, relating to child care.

LEGISLATIVE COUNSEL'S DIGEST

AB 1326, as amended, Simitian. Child care subsidies: County of San Mateo: pilot project.

Existing law requires the Superintendent of Public Instruction to adopt rules and regulations on eligibility, enrollment, and priority of services for federal and state subsidized child care programs.

This bill would authorize the County of San Mateo, as a pilot project, to develop and implement an individualized county child care subsidy program. The bill would require the program to ensure that child care subsidies received by the county from specified sources are used to address local needs, conditions, and priorities of working families in the community. The bill would require the County of San Mateo, prior to implementing the program, to develop a plan with specified elements, including development of local policies that may supersede existing law with regard to eligibility requirements, fees, reimbursement rates, and methods of maximizing use of funds. The bill would require the plan to be approved by the local child care planning council and the Child Development Division of the State Department of Education, as provided. The bill would require the County of San Mateo to submit

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annual reports to the Legislature and the State Department of Education that summarize the success of the program and to submit a final report to the Legislature on or before December 31, 2008.

This bill would authorize the County of San Mateo to implement the program until January 1, 2009, as specified. The bill would provide for the repeal of its provisions on January 1, 2011.

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

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

SECTION 1. Article 15.3 (commencing with Section 8340) is added to Chapter 2 of Part 6 of the Education Code, to read:

Article 15.3. Individualized County Child Care Subsidy Program

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- 8340. The County of San Mateo may, as a pilot project, develop and implement an individualized county child care subsidy program. The program shall ensure that child care subsidies received by the county from the sources identified pursuant to subdivision (c) of Section 8341 are used to address local needs, conditions, and priorities of working families in the community.
- 8341. Prior to implementing the program, the County of San Mateo shall develop an individualized county child care subsidy plan that includes the following four elements:
- (a) An assessment to identify the county's goal for its subsidized child care system. The assessment shall examine whether the current structure of subsidized child care funding adequately supports working families in the county and whether the county's child care goals coincide with the state's requirements for funding, eligibility, priority, and reimbursement. The assessment shall also identify barriers in the state's child care subsidy system that inhibit the county from meeting its child care goals. In conducting the assessment, the county shall consider all of the following:
- (1) The general demographics of working families who are in need of child care, including employment, income, cultural, ethnic, and family composition.

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- 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, and special needs care.
 - (4) The county's self-sufficiency income level.
 - (5) Income eligibility levels for subsidized child care.
 - (6) Family fees.

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- (7) The cost of providing child care.
- (8) The regional market rates, as established by the State 10 Department of Education, for different types of child care.
 - (9) The standard reimbursement rate or state per diem for centers operating under contracts with the State Department of Education.
 - (10) Trends in the county's unemployment rate and housing affordability index.
 - (b) Development of a local policy to eliminate state-imposed regulatory barriers to the county's achievement of its desired outcomes for subsidized child care.
 - (1) The local policy shall do all of the following:
 - (A) Prioritize lowest-income families first.
 - (B) Meet local goals that are consistent with the state's child care goals.
 - (C) Identify current local policies that are affected by the county's child care subsidy plan.
 - (D) Authorize existing State Department of Education contractors to terminate contracts with the county upon adoption of the policy by the county. contractors, at their election, to amend existing contracts with the State Department of Education, upon approval of the department, in order to benefit from the local policy once it is adopted.
 - (2) The local policy may supersede state law concerning child care subsidy programs with regard to only the following factors:
- (A) Eligibility criteria including, but not limited to, age, family 34 size, time limits, income level, inclusion of former and current CalWORKS calWORKs participants, and special needs considerations.
 - (B) Fees including, but not limited to, family fees, sliding scale fees, and copayments.
 - (C) Reimbursement rates.

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

- (c) Identification of funding sources that will be used to implement the program. Only the following sources of funds may be included in the program:
- (1) Migrant child care funds received pursuant to Article 6 (commencing with Section 8230).
- (2) Funds for general child care and development programs as provided in Article 8 (commencing with Section 8240).
- (3) State preschool program funds received pursuant to Article 7 (commencing with Section 8235).
- (4) Funds provided to CalWORKS recipients for stages 2 and 3, as provided in Article 15.5 (commencing with Section 8350).
- (5) Funds for campus child care and development programs pursuant to Article 6 (commencing with Section 66060) of Chapter 2 of Part 40.
- (d) Establishment of measurable outcomes to evaluate the success of the program to achieve the county's child care goals and to overcome any barriers identified in the state's child care subsidy system.
- 8342. (a) The plan shall be submitted to the local child care planning council for approval. Upon approval of the plan by the local child care planning council, the county board of supervisors shall hold at least one public hearing on the plan. Following the hearing, if the county board of supervisors votes in favor of the plan, the plan shall be submitted to the Child Development Division of the State Department of Education for review.
- (b) Within 30 days of receiving the plan, the Child Development Division shall review and either approve or disapprove the plan.
- (c) The Child Development Division may disapprove only those portions of the plan that are not in conformance with this article.
- (d) If any provision of the plan conflicts with federal law, the Child Development Division shall apply to the appropriate federal agency for a waiver. If a federal waiver is unobtainable, the Child

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1 Development Division shall require the county to revise its plan to 2 conform to federal law.

- 8343. (a) Upon approval of the plan by the Child Development Division, the County of San Mateo shall annually prepare and submit to the Legislature and the State Department of Education a report that summarizes the success of the pilot project and the county's ability to maximize the use of funds and to improve and stabilize child care in the county.
- (b) On or before December 31, 2008, the County of San Mateo shall submit a final report to the Legislature summarizing the impact of the program on the child care needs of working families.
- 8245. The County of San Mateo may implement its individualized county child care subsidy program until January 1, 2009, at which date the County of San Mateo shall terminate the program. Between January 1, 2009, and January 1, 2011, the County of San Mateo shall phase out the individualized county child care program and, as of January 1, 2011, shall implement the state's requirements for child care subsidies.
- 19 8346. This article shall remain in effect only until January 1, 20 2011, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2001 2011, deletes or extends that date.