

**ASSEMBLY BILL**

**No. 2302**

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**Introduced by Assembly Member Mullin**

February 21, 2014

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An act to amend Section 8278.3 of the Education Code, relating to child care and development services, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2302, as introduced, Mullin. Child care and developmental services: facilities.

Existing law establishes the Child Care Facilities Revolving Fund, a continuously appropriated fund in the State Treasury, to provide funding for the renovation, repair, improvement, or purchase of child care facilities for lease to school districts and contracting agencies that provide child care and developmental services pursuant to the Child Care and Development Services Act. Existing law provides for payment by the school district or contracting agency of a leasing fee over a 10-year period, after which title transfers to the district or agency.

This bill would provide that this funding shall be used for the renovation, repair, or improvement of an existing child care facility for lease to school districts and contracting agencies that provide child care and development services, and facilities that provide transitional kindergarten programs. This bill would extend the period of the lease from 10 years to 14 years.

The bill would also require the department to adopt regulations to establish priorities, forms, policies, and procedures for implementing and managing the fund, and to promote the availability of the fund on its Internet Web site.

Existing law establishes that a school district or county office of education that provides child care pursuant to the California School Age Families Education Program is eligible to apply for and receive moneys under the fund.

This bill would provide that these applicants may apply for, and receive, a funding award from the fund up to \$400,000 for a single, freestanding relocatable or modular building, and up to \$200,000 for each additional module added to an existing building. The bill would also require that a funding award not exceed \$900,000 for any applicant for the renovation, repair, or improvement of an existing building.

The bill would state the intent of the Legislature that \$7,000,000 shall be appropriated annually in the Budget Act, to fund specified purposes related to child care facilities.

By changing the purpose of this continuously appropriated fund, this bill would make an appropriation.

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

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

1 SECTION 1. Section 8278.3 of the Education Code is amended  
 2 to read:  
 3 8278.3. (a) (1) The Child Care Facilities Revolving Fund is  
 4 hereby established in the State Treasury to provide funding for the  
 5 renovation, repair, or improvement of an existing building to make  
 6 the building suitable for licensure for child care and development  
 7 services and for the purchase of new relocatable child care facilities  
 8 for lease to school districts and contracting agencies that provide  
 9 child care *and development services* pursuant to this chapter, *or*  
 10 *that provide transitional kindergarten programs pursuant to*  
 11 *Section 48000*. The Superintendent may transfer state funds  
 12 appropriated for child care facilities into this fund for allocation  
 13 to school districts and contracting agencies, as specified, for the  
 14 ~~purchase, transportation, and installation of facilities for~~  
 15 ~~replacement and expansion of capacity of child care facilities, and~~  
 16 ~~facilities that offer transitional kindergarten programs~~. School  
 17 districts and contracting agencies using facilities made available  
 18 by the use of these funds shall be charged a leasing fee, either at  
 19 a fair market value for those facilities or at an amount sufficient  
 20 to amortize the cost of purchase and relocation, whichever amount

1 is lower, over a ~~10-year~~ 14-year period. Upon full repayment of  
2 the purchase and relocation costs, title shall transfer from the State  
3 of California to the school district or contracting agency. The  
4 Superintendent shall deposit all revenue derived from the lease  
5 payments into the Child Care Facilities Revolving Fund.

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

10 (b) On or before August 1 of each fiscal year, the Superintendent  
11 shall submit to the Department of Finance and the Legislative  
12 Analyst's Office a report detailing the number of funding requests  
13 received and their purpose, the types of agencies that received  
14 funding from the Child Care Facilities Revolving Fund, the  
15 increased capacity that these facilities generated, a description of  
16 the manner in which the facilities are being used, and a projection  
17 of the lease payments collected and the funds available for future  
18 use.

19 (c) A school district or county office of education that provides  
20 child care pursuant to the California School Age Families  
21 Education Program (Article 7.1 (commencing with Section 54740)  
22 of Chapter 9 of Part 29 of Division 4 of Title 2) is eligible to apply  
23 for and receive funding pursuant to this section.

24 (d) *The department shall adopt regulations to establish*  
25 *priorities, forms, policies, and procedures for implementing and*  
26 *managing the Child Care Facilities Revolving Fund that set*  
27 *expansion of capacity as a priority, and shall promote the*  
28 *availability of the fund on its Internet Web site.*

29 (e) (1) *A funding award under this section shall not exceed nine*  
30 *hundred thousand dollars (\$900,000) per award for the renovation,*  
31 *repair, or improvement of an existing building.*

32 (2) *An eligible applicant under subdivision (c) may apply for,*  
33 *and receive, a funding award up to four hundred thousand dollars*  
34 *(\$400,000) for a single, freestanding relocatable or modular*  
35 *building consisting of three 12-by-40-foot modules, and up to two*  
36 *hundred thousand dollars (\$200,000) per additional module added*  
37 *to an existing building.*

38 (f) *It is the intent of the Legislature to annually appropriate the*  
39 *amount of seven million dollars (\$7,000,000) in the Budget Act to*

- 1 *fund purposes specified in Provision 3 of Item 6110-194-0001 of*
- 2 *Section 2.00 of the Budget Act of 2013.*

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