

AMENDED IN ASSEMBLY MAY 1, 2014

AMENDED IN ASSEMBLY APRIL 22, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2302**

---

---

**Introduced by Assembly Member Mullin**

February 21, 2014

---

---

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

LEGISLATIVE COUNSEL'S DIGEST

AB 2302, as amended, 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 extend the period of the lease from 10 years to 14 years. The bill would require the period of the lease to be 10 years or a different term as established by regulations. The bill would 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. The bill would provide that eligible 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 require the regulations to include, among other things, the development of forms, policies, and procedures for the management of the fund and the terms of the loan.*

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.

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

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

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

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

19 (d) The department shall adopt regulations to establish priorities,  
20 forms, policies, and procedures for implementing and managing  
21 the Child Care Facilities Revolving Fund that set expansion of  
22 capacity, including expansion of capacity of existing sites, as a  
23 priority, and shall promote the availability of the fund on its  
24 Internet Web site.

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

28 ~~(2) An eligible applicant may apply for, and receive, a funding~~  
29 ~~award up to four hundred thousand dollars (\$400,000) for a single,~~  
30 ~~freestanding relocatable or modular building consisting of three~~  
31 ~~12-by-40-foot modules, and up to two hundred thousand dollars~~  
32 ~~(\$200,000) per additional module added to an existing building.~~

33 *(e) The regulations adopted pursuant to subdivision (d) shall*  
34 *include, but not be limited to, all of the following:*

35 *(1) Development of forms, policies, and procedures for the*  
36 *management of the fund.*

37 *(2) Establishment of project funding eligibility criteria, which*  
38 *shall include authorizing the expenditure of funds for the purchase*  
39 *of new relocatable or modular buildings and for the renovation*  
40 *of existing buildings that will expand capacity.*

1     (3) *The maximum amount of the awards.*

2     (4) *The terms of the loans.*

3     (f) It is the intent of the Legislature to annually appropriate the  
4 amount of seven million dollars (\$7,000,000) in the Budget Act  
5 to fund purposes specified in Provision 3 of Item 6110-194-0001  
6 of Section 2.00 of the Budget Act of 2013.

O