

AMENDED IN ASSEMBLY JUNE 18, 2014  
AMENDED IN ASSEMBLY AUGUST 5, 2013  
AMENDED IN ASSEMBLY JUNE 14, 2013  
AMENDED IN SENATE MAY 28, 2013  
AMENDED IN SENATE APRIL 16, 2013  
AMENDED IN SENATE APRIL 3, 2013  
AMENDED IN SENATE MARCH 12, 2013

**SENATE BILL**

**No. 192**

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**Introduced by Senator Liu**

February 7, 2013

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An act to amend Sections 8200, 8201, 8202, 8203, 8203.5, 8204, 8205, 8206, 8208, 8208.1, 8208.5, 8209, 8210, 8211, 8212, 8212.3, 8213, 8214, 8215, 8216, 8220, 8220.1, 8220.5, 8222, 8223, 8225, 8226, 8227, 8230, 8232, 8233, 8235, 8236, 8236.1, 8238.4, 8239, 8244, 8250, 8250.5, 8251, 8252, 8255, 8257, 8258, 8261, 8261.5, 8262, 8263, 8263.2, 8263.3, 8263.4, 8264, 8264.5, 8264.6, 8264.7, 8265, 8266, 8266.1, 8272, 8275, 8276.7, 8277, 8277.8, 8278.3, 8279.1, 8279.3, 8279.4, 8279.5, 8279.7, 8282, 8320, 8321, 8324, 8327, 8328, 8329, 8335.1, 8335.5, ~~8341, 8341.5, 8342, 8343, 8344, 8347, 8347.2, 8347.3, 8347.4~~, 8350, 8352, 8353, 8354, 8355, 8356, 8357, 8358, 8358.5, 8359.1, 8360, 8360.2, 8400, 8401, 8402, 8406.7, 8447, 8448, 8450, 8493, 8494, 8495, 8495.1, 8498, 8499, 8499.3, and 8499.5 of, to amend the heading of Chapter 2 (commencing with Section 8200) of Part 6 of Division 1 of Title 1 of, to amend the headings of Article 6 (commencing with Section 8230), Article 7 (commencing with Section 8235), Article 8 (commencing with Section 8240), Article 9 (commencing with Section 8250), Article 15.2 (commencing with Section 8335), Article ~~15.3~~ 15.4

(commencing with Section ~~8340~~, 8347), Article 15.5 (commencing with Section 8350), and Article 16 (commencing with Section 8360), of Chapter 2 of Part 6 of Division 1 of Title 1 of, to amend the heading of Article 2 (commencing with Section 8499.3) of Chapter 2.3 of Part 6 of Division 1 of Title 1 of, to amend, repeal, and add Sections 8231 and 8240 of, to add Sections 8220.3 and 8220.6 to, to add Article 5 (commencing with Section 8228) to Chapter 2 of Part 6 of Division 1 of Title 1 of, and to repeal and add Sections 8264.8 and 8360.1 of, the Education Code, relating to early learning and educational support services.

LEGISLATIVE COUNSEL'S DIGEST

SB 192, as amended, Liu. Early learning and educational support 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 require the Superintendent to develop standards for the implementation of high-quality early learning and educational support programs based on certain indicia of quality, including, but not limited to, program activities and services that meet the needs of children with exceptional needs and diverse abilities. The bill would require certain information to be given to parents who receive services from resource and referral programs and alternative payment programs. The bill would delete obsolete provisions, make other related and conforming changes, and make nonsubstantive changes.

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:

1 CHAPTER 2. EARLY LEARNING AND EDUCATIONAL SUPPORT  
2 ACT

3  
4 SEC. 2. Section 8200 of the Education Code is amended to  
5 read:

6 8200. This chapter shall be known and may be cited as the  
7 Early Learning and Educational Support Act.

8 SEC. 3. Section 8201 of the Education Code is amended to  
9 read:

10 8201. The purpose of this chapter is as follows:

11 (a) To provide a comprehensive, coordinated, and cost-effective  
12 system of early learning and educational support services for  
13 children from infancy to 13 years of age and their parents, including  
14 a full range of supervision, health, and support services through  
15 full- and part-time programs.

16 (b) To encourage community-level coordination in support of  
17 early learning and educational support services.

18 (c) To provide an environment that is healthy and nurturing for  
19 all children in early learning and educational support programs.

20 (d) To provide the opportunity for positive parenting to take  
21 place through understanding of human growth and development.

22 (e) To reduce strain between parent and child in order to prevent  
23 abuse, neglect, or exploitation.

24 (f) To enhance the cognitive development of children, with  
25 particular emphasis upon those children who require special  
26 assistance, including bilingual capabilities to attain their full  
27 potential.

28 (g) To establish a framework for the expansion of early learning  
29 and educational support services.

30 (h) To empower and encourage parents and families of children  
31 who require early learning and educational support services to take  
32 responsibility to review the safety of the program or facility and  
33 to evaluate the ability of the program or facility to meet the needs  
34 of the child.

35 SEC. 4. Section 8202 of the Education Code is amended to  
36 read:

37 8202. It is the intent of the Legislature that:

38 (a) All families have access to early learning and educational  
39 support services, through resource and referral services, where  
40 appropriate, regardless of ethnic status, cultural background, or

1 special needs. It is further the intent that subsidized early learning  
2 and educational support services be provided to persons meeting  
3 the eligibility criteria established under this chapter to the extent  
4 funding is made available by the Legislature and Congress.

5 (b) The healthy physical, cognitive, social, and emotional growth  
6 and development of children be supported.

7 (c) Families achieve and maintain their personal, social,  
8 economic, and emotional stability through an opportunity to attain  
9 financial stability through employment, while maximizing growth  
10 and development of their children, and enhancing their parenting  
11 skills through participation in early learning and educational  
12 support programs.

13 (d) Community-level coordination in support of early learning  
14 and educational support services be encouraged.

15 (e) Families have a choice of programs that allow for maximum  
16 involvement in planning, implementation, operation, and evaluation  
17 of early learning and educational support programs.

18 (f) Parents and families be fully informed of their rights and  
19 responsibilities to evaluate the quality and safety of *care* programs,  
20 including, but not limited to, their right to inspect ~~child~~ care  
21 licensing files.

22 (g) Planning for expansion of early learning and educational  
23 support programs be based on ongoing local needs assessments.

24 (h) The Superintendent, in providing funding to early learning  
25 and educational support agencies, promote a range of services that  
26 will allow parents the opportunity to choose the type of care most  
27 suited to their needs. The program scope may include the  
28 following:

29 (1) Programs located in centers, family ~~day~~ care homes, or in  
30 the child's own home.

31 (2) Services provided part-day, full-day, and during nonstandard  
32 hours including weekend care, night and shift care, before and  
33 after school care, and care during holidays and vacation.

34 (3) Services provided for infants and toddlers, and preschool  
35 and schoolage children.

36 (i) The Superintendent be responsible for the establishment of  
37 a public hearing process or other public input process that ensures  
38 the participation of those agencies directly affected by a particular  
39 section or sections of this chapter.

1 SEC. 5. Section 8203 of the Education Code is amended to  
2 read:

3 8203. The Superintendent shall develop standards for the  
4 implementation of high-quality early learning and educational  
5 support programs. Indicators of quality shall include, but not be  
6 limited to:

7 (a) A physical environment that is safe and appropriate to the  
8 ages and developmental needs of the children and that meets  
9 applicable licensing standards.

10 (b) Program activities and services that are age appropriate and  
11 meet the developmental needs of each child.

12 (c) Program activities and services that meet the cultural and  
13 linguistic needs of children and families.

14 (d) Family and community *involvement and* engagement.

15 (e) Parent education.

16 (f) Efficient and effective local program administration.

17 (g) Staff that possesses the appropriate and required  
18 qualifications or experience, or both. The appropriate staff  
19 qualifications shall reflect the diverse linguistic and cultural  
20 makeup of the children and families in the early learning and  
21 educational support program. The use of intergenerational staff  
22 shall be encouraged.

23 (h) Program activities and services that meet the needs of  
24 children with exceptional needs and diverse abilities, and their  
25 families.

26 (i) Support services for children, families, and providers of care.

27 (j) Resource and referral services.

28 (k) Alternative payment services.

29 (l) Provision for nutritional needs of children.

30 (m) Social services that include, but are not limited to,  
31 identification of child and family needs and referral to appropriate  
32 agencies.

33 (n) Developmental and health services, as defined in subdivision  
34 ~~(m)~~ (n) of Section 8208, that include referral of children to  
35 appropriate agencies for services.

36 SEC. 6. Section 8203.5 of the Education Code is amended to  
37 read:

38 8203.5. (a) The Superintendent shall ensure that each contract  
39 entered into under this chapter to provide early learning and  
40 educational support services, or to facilitate the provision of those

1 services, promotes children’s school readiness and subsequent  
2 school success through the delivery of appropriate high-quality  
3 educational services to the children served pursuant to the contract.

4 (b) The Superintendent shall ensure that all contracts for early  
5 learning services include a requirement that each provider maintain  
6 a developmental profile to appropriately identify the emotional,  
7 social, physical, and cognitive growth of each child served in order  
8 to promote the child’s success in the public schools. To the extent  
9 possible, the department shall provide a developmental profile to  
10 all public and private providers using existing profile instruments  
11 that are most cost efficient. The provider of any program operated  
12 pursuant to a contract under Section 8262 shall be responsible for  
13 maintaining developmental profiles upon entry through exit from  
14 a program providing early learning services.

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

17 SEC. 7. Section 8204 of the Education Code is amended to  
18 read:

19 8204. In recognition of the demonstrated relationship between  
20 food and good nutrition and the capacity of children to develop  
21 and learn, it is the policy of this state that no child shall be hungry  
22 while in attendance in a ~~child-care and development~~ facility as  
23 defined in subdivision ~~(h)~~ (i) of Section 8208 and that these  
24 facilities have an obligation to provide for the nutritional needs of  
25 children in attendance.

26 SEC. 8. Section 8205 of the Education Code is amended to  
27 read:

28 8205. It is the intent of the Legislature that, in providing early  
29 learning and educational support programs, the Superintendent  
30 give priority to children of families that qualify under applicable  
31 federal statutes or regulations as recipients of public assistance  
32 and other low-income and disadvantaged families. Federal  
33 reimbursement shall be claimed for any child receiving services  
34 under this chapter for whom federal funds are available.

35 SEC. 9. Section 8206 of the Education Code is amended to  
36 read:

37 8206. (a) The department is hereby designated as the single  
38 state agency responsible for the promotion, development, and  
39 provision of care of children in the absence of their parents during  
40 the workday or while engaged in other activities that require

1 assistance of a third party or parties. The department shall  
2 administer the federal Child Care and Development Fund.

3 (b) For purposes of this section, “Child Care and Development  
4 Fund” has the same meaning as in Section 98.2 of Title 45 of the  
5 Code of Federal Regulations.

6 (c) The department may create a list of high-quality early  
7 learning and educational support resources to demonstrate  
8 high-quality options available to parents. If the department creates  
9 a list of resources, the list shall be posted on the department’s  
10 Internet Web site and made available to both resource and referral  
11 programs and alternative payment programs.

12 SEC. 10. Section 8208 of the Education Code is amended to  
13 read:

14 8208. As used in this chapter:

15 (a) “Alternative payments” includes payments that are made by  
16 ~~one child care agency to another agency or child~~ *an alternative*  
17 *payment program to a licensed or license-exempt* care provider  
18 for the provision of early learning and educational support services,  
19 and payments that are made by an ~~agency~~ *alternative payment*  
20 *program* to a parent for the parent’s purchase of early learning and  
21 educational support services.

22 (b) “Alternative payment program” means a local government  
23 agency or nonprofit organization that has contracted with the  
24 department pursuant to Section 8220.1 to provide alternative  
25 payments and to provide support services to parents and providers.

26 (c) “Applicant or contracting agency” means a school district,  
27 community college district, college or university, county  
28 superintendent of schools, county, city, public agency, private  
29 nontax-exempt agency, private tax-exempt agency, or other entity  
30 that is authorized to establish, maintain, or operate services  
31 pursuant to this chapter. Private agencies and parent cooperatives,  
32 duly licensed by law, shall receive the same consideration as any  
33 other authorized entity with no loss of parental decisionmaking  
34 prerogatives as consistent with the provisions of this chapter.

35 (d) “Assigned reimbursement rate” is that rate established by  
36 the contract with the agency and is derived by dividing the total  
37 dollar amount of the contract by the minimum child day of average  
38 daily enrollment level of service required.

1 (e) (1) “Attendance” means the number of children present at  
 2 a ~~child care and development~~ facility where *early learning and*  
 3 *educational support* services are provided.

4 (2) For purposes of reimbursement ~~to~~ *for* early learning services,  
 5 attendance includes excused absences of children because of illness,  
 6 quarantine, illness or quarantine of their parent, family emergency,  
 7 or to spend time with a parent or other relative as required by a  
 8 court of law or that is clearly in the best interest of the child.

9 (3) For purposes of reimbursement to providers through an  
 10 alternative payment program, attendance includes any of the  
 11 following:

12 (A) The hours of service provided that are broadly consistent  
 13 with certified hours of need.

14 (B) For families with variable schedules, the actual days and  
 15 hours of attendance up to the maximum certified hours.

16 (C) In the case of license-exempt providers that provide  
 17 part-time services, the actual days and hours of attendance.

18 (4) For purposes of reimbursement to providers through an  
 19 alternative payment program, contractors shall not be required to  
 20 track absences.

21 (f) “Capital outlay” means the amount paid for the renovation  
 22 and repair of ~~child care and development~~ facilities to comply with  
 23 state and local health and safety standards, and the amount paid  
 24 for the state purchase of relocatable ~~child care and development~~  
 25 facilities for lease to qualifying contracting agencies.

26 (g) “Caregiver” means a person who provides direct care,  
 27 supervision, and guidance to children in a child care and  
 28 development facility.

29 (h) “*Child care*” or “*care*” means services provided by all  
 30 licensed or license-exempt providers, including, but not limited  
 31 to, private for-profit, nonprofit, and publicly funded programs, for  
 32 all children from birth to 13 years of age, including children with  
 33 exceptional needs and children from all linguistic and cultural  
 34 backgrounds.

35 ~~(h)~~

36 (i) “Child care and development facility” or “*facility*” means  
 37 a residence or building or part of a residence or building in which  
 38 early learning and educational support services are provided.

39 (i)



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

4 (j)

5 (k) “Children with exceptional needs” means either of the  
6 following:

7 (1) Infants and toddlers under three years of age who have been  
8 determined to be eligible for early intervention services pursuant  
9 to the California Early Intervention Services Act (Title 14  
10 (commencing with Section 95000) of the Government Code) and  
11 its implementing regulations. These children include an infant or  
12 toddler with a developmental delay or established risk condition,  
13 or who is at high risk of having a substantial developmental  
14 disability, as defined in subdivision (a) of Section 95014 of the  
15 Government Code. These children shall have active individualized  
16 family service plans, shall be receiving early intervention services,  
17 and shall be children who require the special attention of adults in  
18 a ~~child~~ care setting.

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

40 (k)

1 (l) “Closedown costs” means reimbursements for all approved  
 2 activities associated with the closing of operations at the end of  
 3 each growing season for early learning programs serving migrant  
 4 populations pursuant to Article 6 (commencing with Section 8230).

5 ~~(t)~~

6 (m) “Cost” includes, but is not limited to, expenditures that are  
 7 related to the operation of early learning and educational support  
 8 programs. “Cost” may include a reasonable amount for state and  
 9 local contributions to employee benefits, including approved  
 10 retirement programs, agency administration, and any other  
 11 reasonable program operational costs. “Cost” may also include  
 12 amounts for licensable facilities in the community served by the  
 13 program, including lease payments or depreciation, downpayments,  
 14 and payments of principal and interest on loans incurred to acquire,  
 15 rehabilitate, or construct licensable facilities, but these costs shall  
 16 not exceed fair market rents existing in the community in which  
 17 the facility is located. “Reasonable and necessary costs” are costs  
 18 that, in nature and amount, do not exceed what an ordinary prudent  
 19 person would incur in the conduct of a competitive business.

20 ~~(m)~~

21 (n) “Developmental and health services” include, but are not  
 22 limited to, all of the following:

23 (1) Referral, whenever possible, to appropriate health care  
 24 providers able to provide continuity of medical care.

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

34 (3) Health education and training for children, parents, staff,  
 35 and providers.

36 (4) Followup treatment through referral to appropriate health  
 37 care agencies or individual health care professionals.

38 ~~(n)~~

39 (o) “Early learning programs” means early learning and  
 40 educational support programs that serve children from birth to 13

1 years of age, including, but not limited to, services for ~~infants and~~  
2 ~~toddlers, preschool age children, schoolage children, and children~~  
3 ~~of migrant agricultural worker families. the following:~~

4 (1) *Infants and toddlers pursuant to Article 8 (commencing with*  
5 *Section 8240).*

6 (2) *Preschool age children pursuant to Article 7 (commencing*  
7 *with Section 8235).*

8 (3) *Schoolage children pursuant to Article 8 (commencing with*  
9 *Section 8240).*

10 (4) *Children of migrant agricultural worker families pursuant*  
11 *to Article 6 (commencing with Section 8230).*

12 ~~(o)~~

13 (p) ~~“Early learning services” means early learning programs,~~  
14 ~~family child care home education networks, and programs that~~  
15 ~~serve severely disabled children, that are administered by the~~  
16 ~~Superintendent pursuant to Article 5 (commencing with Section~~  
17 ~~8228). all of the following:~~

18 (1) *Early learning programs pursuant to Article 8 (commencing*  
19 *with Section 8240).*

20 (2) *Family child care home education networks pursuant to*  
21 *Article 8.5 (commencing with Section 8245).*

22 (3) *Programs that serve severely disabled children pursuant to*  
23 *subdivision (d) of Section 8250.*

24 (4) *Services administered by the Superintendent pursuant to*  
25 *Article 5 (commencing with Section 8228).*

26 ~~(p)~~

27 (q) ~~“Early learning and educational support programs” or “early~~  
28 ~~learning and educational support services” means those programs~~  
29 ~~or services that offer a full range of care and support services~~  
30 ~~designed to meet a wide variety of needs of children, from birth~~  
31 ~~to 13 years of age, and their families. Services provided by an~~  
32 ~~applicant or contracting agency, may be for any part of the day~~  
33 ~~that a parent is working, in training, seeking employment,~~  
34 ~~incapacitated, or in need of respite. These services may include,~~  
35 ~~but are not limited to, early learning services and alternative~~  
36 ~~payment programs. the following:~~

37 (1) *Early learning services pursuant to Article 5 (commencing*  
38 *with Section 8228).*

39 (2) *Alternative payment programs pursuant to subdivision (b).*

40 ~~(q)~~

1 (r) “Elementary school,” as contained in former Section 425 of  
2 Title 20 of the United States Code (the National Defense Education  
3 Act of 1958, Public Law 85-864, as amended), includes early  
4 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 (†)

8 (s) “Family child care home education network” means an entity  
9 organized under law that contracts with the department pursuant  
10 to Section 8245 to make payments to licensed family child care  
11 home providers and to provide educational and support services  
12 to those providers and to children and families eligible for  
13 state-subsidized early learning and educational support services.  
14 A family child care home education network may also be referred  
15 to as a family child care home system.

16 (s)

17 (t) “Higher educational institutions” means the Regents of the  
18 University of California, the Trustees of the California State  
19 University, the Board of Governors of the California Community  
20 Colleges, and the governing bodies of any accredited private  
21 nonprofit institution of postsecondary education.

22 (†)

23 (u) “Intergenerational staff” means persons of various  
24 generations.

25 (†)

26 (v) “Limited-English-speaking-proficient and  
27 non-English-speaking-proficient children” means children who  
28 are unable to benefit fully from an English-only early learning and  
29 educational support program as a result of either of the following:

30 (1) Having used a language other than English when they first  
31 began to speak.

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

34 (†)

35 (w) “Parent” means a biological parent, stepparent, adoptive  
36 parent, foster parent, caretaker relative, or any other adult living  
37 with a child who has responsibility for the care and welfare of the  
38 child.

39 (w)

1 (x) “Program director” means a person who, pursuant to Sections  
2 8244 and 8360.1, is qualified to serve as a program director.

3 ~~(x)~~

4 (y) “Proprietary agency” means an organization or facility  
5 providing early learning and educational support services, which  
6 is operated for profit.

7 ~~(y)~~

8 (z) “Resource and referral programs” means programs that  
9 provide information to parents, including referrals and coordination  
10 of community resources for parents and public or private providers  
11 of care. Services frequently include, but are not limited to: technical  
12 assistance for providers, toy-lending libraries, equipment-lending  
13 libraries, toy- and equipment-lending libraries, staff development  
14 programs, health and nutrition education, and referrals to social  
15 services.

16 ~~(z)~~

17 (aa) “Severely disabled children” are children with exceptional  
18 needs from birth to 21 years of age, inclusive, who require intensive  
19 instruction and training in programs serving pupils with the  
20 following profound disabilities: autism, blindness, deafness, severe  
21 orthopedic impairments, serious emotional disturbances, or severe  
22 intellectual disabilities. “Severely disabled children” also include  
23 those individuals who would have been eligible for enrollment in  
24 a developmental center for handicapped pupils under Chapter 6  
25 (commencing with Section 56800) of Part 30 of Division 4 of Title  
26 2 as it read on January 1, 1980.

27 ~~(aa)~~

28 (ab) “Short-term respite child care” means ~~child care service~~  
29 *services* to assist families whose children have been identified  
30 through written referral from a legal, medical, or social service  
31 agency, or emergency shelter as being neglected, abused, exploited,  
32 or homeless, or at risk of being neglected, abused, exploited, or  
33 homeless. ~~Child care~~ *Care* is provided for less than 24 hours per  
34 day in ~~child care~~ centers, treatment centers for abusive parents,  
35 family child care homes, or in the child’s own home.

36 ~~(ab)~~

37 (ac) (1) “Site supervisor” means a person who, regardless of  
38 his or her title, has operational program responsibility for an early  
39 learning and educational support program at a single site. A site  
40 supervisor shall hold a permit or credential issued by the

1 Commission on Teacher Credentialing that authorizes supervision  
2 of an early learning and educational support program operating in  
3 a single site. The Superintendent may waive the requirements of  
4 this subdivision if the Superintendent determines that the existence  
5 of compelling need is appropriately documented.

6 *(2) For California state preschool programs, a site supervisor*  
7 *may qualify under any of the provisions of this subdivision, or may*  
8 *qualify by holding an administrative credential or an administrative*  
9 *services credential. A person who meets the qualifications of a*  
10 *program director under Sections 8244 and 8360.1 is also qualified*  
11 *under this subdivision.*

12 ~~(ae)~~

13 *(ad) “Standard reimbursement rate” means that rate established*  
14 *by the Superintendent pursuant to Section 8265.*

15 ~~(ad)~~

16 *(ae) “Startup costs” means those expenses an agency incurs in*  
17 *the process of opening a new or additional facility before the full*  
18 *enrollment of children.*

19 ~~(ae)~~

20 *(af) “California state preschool program services” means*  
21 *part-day and full-day—~~educational~~ programs that provide*  
22 *developmentally appropriate educational activities and services*  
23 *designed to facilitate the transition to kindergarten for low-income*  
24 *or otherwise disadvantaged three- and four-year-old children.*

25 ~~(af)~~

26 *(ag) “Support services” means those services that, when*  
27 *combined with early learning and educational support—~~services~~;*  
28 *programs help promote the healthy physical, mental, social, and*  
29 *emotional growth of children. Support services include, but are*  
30 *not limited to: protective services, parent training, provider and*  
31 *staff training, transportation, parent and child counseling, resource*  
32 *and referral services, and child placement counseling.*

33 ~~(ag)~~

34 *(ah) “Teacher” means a person with the appropriate permit*  
35 *issued by the Commission on Teacher Credentialing who provides*  
36 *program supervision and instruction that includes supervision of*  
37 *a number of aides, volunteers, and groups of children.*

38 ~~(ah)~~

39 *(ai) “Underserved area” means a county or subcounty area,*  
40 *including, but not limited to, school districts, census tracts, or ZIP*

1 Code areas, where the ratio of publicly subsidized early learning  
2 and educational support-program services to the need for these  
3 services is low, as determined by the Superintendent.

4 ~~(ai)~~

5 (aj) “Workday” means the time that the parent requires  
6 temporary care for a child for any of the following reasons:

- 7 (1) To undertake training in preparation for a job.
- 8 (2) To undertake or retain a job.
- 9 (3) To undertake other activities that are essential to maintaining  
10 or improving the social and economic function of the family, are  
11 beneficial to the community, or are required because of health  
12 problems in the family.

13 ~~(aj)~~

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

- 18 (1) November 1 of the 2012–13 fiscal year.
- 19 (2) October 1 of the 2013–14 fiscal year.
- 20 (3) September 1 of the 2014–15 fiscal year and each fiscal year  
21 thereafter.

22 ~~(ak)~~

23 (al) “Four-year-old children” means children who will have  
24 their fourth birthday on or before the date specified of the fiscal  
25 year in which they are enrolled in a California state preschool  
26 program, as follows:

- 27 (1) November 1 of the 2012–13 fiscal year.
- 28 (2) October 1 of the 2013–14 fiscal year.
- 29 (3) September 1 of the 2014–15 fiscal year and each fiscal year  
30 thereafter.

31 ~~(al)~~

32 (am) “Local educational agency” means a school district, a  
33 county office of education, a community college district, or a  
34 school district on behalf of one or more schools within the school  
35 district.

36 SEC. 11. Section 8208.1 of the Education Code is amended to  
37 read:

38 8208.1. Care exempt from licensure is a valid parental choice  
39 of care for all programs provided for under this part, and no

1 provision of this part shall be construed to exclude or discourage  
2 the exercise of that choice.

3 SEC. 12. Section 8208.5 of the Education Code is amended to  
4 read:

5 8208.5. Notwithstanding any other law, early learning and  
6 educational support programs, as defined in Section 8208, shall  
7 include, but not be limited to, respite-child care.

8 SEC. 13. Section 8209 of the Education Code is amended to  
9 read:

10 8209. (a) If a state of emergency is declared by the Governor,  
11 the Superintendent may waive any requirements of this code or  
12 regulations adopted pursuant to this code relating to early learning  
13 and educational support programs operated pursuant to this chapter  
14 only to the extent that enforcement of the regulations or  
15 requirements would directly impede disaster relief and recovery  
16 efforts or would disrupt the current level of service in early learning  
17 and educational support programs.

18 (b) If a state of emergency is declared by the Governor, the  
19 Superintendent may waive any requirements of this code or  
20 regulations adopted pursuant to this code relating to child nutrition  
21 programs in early learning and educational support programs  
22 operated pursuant to this chapter only to the extent that enforcement  
23 of the regulations or requirements would directly impede disaster  
24 relief and recovery efforts or would disrupt the current level of  
25 service in early learning and educational support programs.

26 (c) A waiver granted pursuant to subdivision (a) or (b) shall not  
27 exceed 45 calendar days.

28 (d) For purposes of this section, “state of emergency” includes  
29 fire, flood, earthquake, or a period of civil unrest.

30 (e) If a request for a waiver pursuant to subdivision (a) or (b)  
31 is for an early learning and educational support program or child  
32 nutrition program that receives federal funds and the waiver may  
33 be inconsistent with the state plan or any federal law or regulations  
34 governing the program, the Superintendent shall seek and obtain  
35 approval of the waiver from the appropriate federal agency before  
36 granting the waiver.

37 SEC. 14. Section 8210 of the Education Code is amended to  
38 read:



1 8210. Funds appropriated for the purpose of this chapter may  
2 be used for resource and referral programs that may be operated  
3 by public or private nonprofit entities.

4 SEC. 15. Section 8211 of the Education Code is amended to  
5 read:

6 8211. It is the intent of the Legislature that one hundred eighty  
7 thousand dollars (\$180,000) be appropriated each fiscal year for  
8 allocation to resource and referral agencies operated by local  
9 educational agencies for the purpose of the resources and referral  
10 program set forth in this article.

11 SEC. 16. Section 8212 of the Education Code is amended to  
12 read:

13 8212. For purposes of this article, resource and referral  
14 programs, established to serve a defined geographic area, shall  
15 provide the following services:

16 (a) Identification of the full range of existing services through  
17 information provided by all relevant public and private agencies  
18 in the areas of service, and the development of a resource file of  
19 those services that shall be maintained and updated at least  
20 quarterly. These services shall include, but not be limited to, early  
21 learning and educational support programs, family-day care homes,  
22 public and private-day care programs, full-time and part-time  
23 programs, and infant, toddler, preschool, and extended care  
24 programs.

25 The resource file shall include, but not be limited to, the  
26 following information:

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

32 (b) (1) Establishment of a referral process that responds to  
33 parental need for information and that is provided with full  
34 recognition of the confidentiality rights of parents. Resource and  
35 referral programs shall make referrals to licensed child day care  
36 facilities. Referrals shall be made to unlicensed care facilities only  
37 if there is no requirement that the facility be licensed. The referral  
38 process shall afford parents maximum access to all referral  
39 information. This access shall include, but is not limited to,  
40 telephone referrals to be made available for at least 30 hours per

1 week as part of a full week of operation. Every effort shall be made  
2 to reach all parents within the defined geographic area, including,  
3 but not limited to, any of the following:

4 (A) Toll-free telephone lines.

5 (B) Office space convenient to parents and providers.

6 (C) Referrals in languages which are spoken in the community.

7 Each resource and referral program shall publicize its services  
8 through all available media sources, agencies, and other appropriate  
9 methods.

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

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

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

27 (c) Maintenance of ongoing documentation of requests for  
28 service tabulated through the internal referral process. The  
29 following documentation of requests for service shall be maintained  
30 by all resource and referral programs:

31 (1) Number of calls and contacts to the care information and  
32 referral program or component.

33 (2) Ages of children served.

34 (3) Time category of care request for each child.

35 (4) Special time category, such as nights, weekends, and swing  
36 shift.

37 (5) Reason that the care is needed.

38 This information shall be maintained in a manner that is easily  
39 accessible for dissemination purposes.

1 (d) Provision of technical assistance to existing and potential  
2 providers of all types of care services. This assistance shall include,  
3 but not be limited to:

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

8 (2) Information and resources that help existing providers to  
9 maximize their ability to serve the children and parents of their  
10 community.

11 (3) Dissemination of information on current public issues  
12 affecting the local and state delivery of services.

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

15 Services prescribed by this section shall be provided in order to  
16 maximize parental choice in the selection of care to facilitate the  
17 maintenance and development of care services and resources.

18 (e) (1) A program operating pursuant to this article shall, within  
19 two business days of receiving notice, remove a licensed ~~child day~~  
20 ~~care~~ facility with a revocation or a temporary suspension order, or  
21 that is on probation from the program's referral list.

22 (2) A program operating pursuant to this article shall, within  
23 two business days of receiving notice, notify all entities, operating  
24 a program under Article 3 (commencing with Section 8220) and  
25 Article 15.5 (commencing with Section 8350) in the program's  
26 jurisdiction, of a licensed ~~child day~~ ~~care~~ facility with a revocation  
27 or a temporary suspension order, or that is on probation.

28 SEC. 17. Section 8212.3 of the Education Code is amended to  
29 read:

30 8212.3. (a) In addition to the services described in Section  
31 8212, a resource and referral program, established to serve a  
32 defined geographic area, may provide short-term respite ~~child~~ care.  
33 "Short-term respite care," for purposes of this article, means  
34 temporary ~~child~~ care services to do any of the following:

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

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

39 (3) Assist parents who, because of serious illness or injury,  
40 homelessness, or family crisis, including temporary absence from

1 the home because of illness or injury, would be unable without  
2 assistance to provide the normal care and nurture expected of  
3 parents.

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

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

14 SEC. 18. Section 8213 of the Education Code is amended to  
15 read:

16 8213. All resource and referral services shall be provided in a  
17 manner that is responsive to the diverse cultural, linguistic, and  
18 economic needs of a defined geographic area of service.

19 SEC. 19. Section 8214 of the Education Code is amended to  
20 read:

21 8214. (a) Resource and referral services shall be provided to  
22 all persons requesting services and to all types of eligible providers,  
23 regardless of income level or other eligibility criteria. In addition  
24 to the services prescribed by this section, resource and referral  
25 may provide a wide variety of parent and provider support and  
26 educational services.

27 (b) Information shall be provided to parents in the county of  
28 service at the time the family is determined eligible for services,  
29 and at recertification, by one of the following:

- 30 (1) An alternative payment program.
- 31 (2) A resource and referral program.
- 32 (3) A partnership between the alternative payment program and  
33 the resource and referral program.

34 (c) The information provided by the program or partnership  
35 shall be to assist parents in making informed choices about  
36 available types of care that would both offer a safe, caring, and  
37 age-appropriate early learning and educational support environment  
38 for children, as well as support the parents' work activities,  
39 including, but not limited to, information about high-quality early  
40 learning and educational support options and resources specified

1 in this subdivision. The program or partnership may utilize  
2 resources from a list posted on the department’s Internet Web site  
3 pursuant to subdivision (c) of Section 8206 if this list is available.  
4 If the department does not create a list of resources pursuant to  
5 subdivision (c) of Section 8206, the program or partnership may  
6 develop local resources. These resources shall include, but are not  
7 limited to, the following:

8 (1) Information regarding how to select services that meet the  
9 needs of the parent and child.

10 (2) Information on licensing requirements and procedures for  
11 ~~child-care~~ centers and family-child care homes.

12 (3) Trustline requirements for homes and providers exempt from  
13 licensure.

14 (4) A range of possible early learning and educational support  
15 options from which a parent may choose.

16 (5) Information on available care subsidies and eligibility  
17 requirements.

18 (6) Quality indicators, including provider or educator training,  
19 accreditation, staff stability, group size, ratio of children to staff,  
20 environments that support the healthy development of children,  
21 parent involvement, and communication between the parent and  
22 provider.

23 (7) Information on quality rating and improvement systems,  
24 where available.

25 (d) The program or partnership shall also provide parenting  
26 information to parents.

27 SEC. 20. Section 8215 of the Education Code is amended to  
28 read:

29 8215. (a) There is hereby established a project known as the  
30 California Child Care Initiative Project. It is the intent of the  
31 Legislature to promote and foster the project in cooperation with  
32 private corporations and local governments. The objective of the  
33 project is to increase the availability of quality programs in the  
34 state.

35 (b) For purposes of this section, the California Child Care  
36 Initiative Project means a project to expand the role and functions  
37 of selected resource and referral agencies in activities including  
38 needs assessment, recruitment and screening of providers, technical  
39 assistance, and staff development and training, in order to aid

1 communities in increasing their capability in the number of spaces  
2 available and the quality of services offered.

3 (c) The Superintendent shall allocate all state funds appropriated  
4 for the California Child Care Initiative Project for the purpose of  
5 making grants to those resource and referral agencies that have  
6 been selected as pilot sites for the project.

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

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

14 (f) The Superintendent shall develop a database for the project.

15 SEC. 21. Section 8216 of the Education Code is amended to  
16 read:

17 8216. When making referrals, every agency operating a  
18 program providing early learning services or an alternative payment  
19 program and a resource and referral program shall provide at least  
20 four referrals, at least one of which shall be a provider over which  
21 the agency has no fiscal or operational control, as well as  
22 information to a family on the family's ability to choose a license  
23 exempt provider.

24 SEC. 22. Section 8220 of the Education Code is amended to  
25 read:

26 8220. Upon the approval of the department, funds appropriated  
27 for the purposes of this chapter may be used for alternative payment  
28 programs to allow for maximum parental choice. Various methods  
29 of reimbursement for parental costs for care may be utilized. All  
30 payment arrangements shall conform to the eligibility criteria and  
31 the parent fee schedule established pursuant to Sections 8263 and  
32 8265.

33 To provide for maximum parental choice, alternative payment  
34 programs may include the following:

35 (a) A subsidy that follows the family from one provider to  
36 another within a given alternative payment program.

37 (b) Choices, whenever possible, among hours of service  
38 including before and after school, evenings, weekends, and split  
39 shifts.

1 (c) ~~(1)~~—Early learning and educational support services  
2 according to parental choice, including use of family-day care  
3 homes, center based programs, and other state-funded programs  
4 to the extent that those programs exist in the general service area  
5 and are in conformity with the purposes and applicable laws for  
6 which those programs were established, but excluding California  
7 state preschool program services.

8 ~~(2) This subdivision shall be operative only to the extent that  
9 an appropriation for its purposes is included in the annual Budget  
10 Act and is consolidated into a single budget schedule or  
11 subschedule.~~

12 SEC. 23. Section 8220.1 of the Education Code is amended to  
13 read:

14 8220.1. (a) The department shall contract with local contracting  
15 agencies for alternative payment programs so that services will be  
16 provided throughout the state. The department shall expand existing  
17 alternative payment programs and fund new alternative payment  
18 programs to the extent that funds are provided by the Legislature.

19 (b) Funding for the new programs pursuant to this section shall  
20 be allocated to programs which meet all of the following  
21 requirements:

22 (1) Applicants shall conform to the requirements of this article.

23 (2) Applicants shall demonstrate that an alternative payment  
24 program is an appropriate method of delivering services within  
25 the county or service area at the level requested in the application  
26 by doing either of the following:

27 (A) Demonstrating the availability of sufficient licensed or  
28 license-exempt providers.

29 (B) Providing a plan for the development of sufficient licensed  
30 providers working in cooperation with the local resource and  
31 referral agency.

32 (3) Applicants shall demonstrate the administrative viability of  
33 the alternative payment agency and its capacity to meet  
34 performance requirements.

35 (4) Existing alternative payment programs receiving funds for  
36 expansion into a new service area shall be funded at a documented  
37 rate appropriate to that community and may contract separately as  
38 appropriate.

39 (c) (1) On and after July 1, ~~2014~~, 2015, the Superintendent shall  
40 streamline the delivery of alternative payment programs through

1 the consolidation of contracts that serve special populations,  
2 including, but not limited to, migrant populations. Contractors  
3 shall continue to serve the same populations specified in their  
4 ~~2013–14~~ ~~2014–15~~ contracts, unless they receive prior approval  
5 from the department.

6 (2) This subdivision shall be operative only to the extent that  
7 an appropriation for its purposes is included in the annual Budget  
8 Act and is consolidated into a single budget schedule or  
9 subschedule.

10 SEC. 24. Section 8220.3 is added to the Education Code, to  
11 read:

12 8220.3. Commencing with the ~~2014–15~~ ~~2015–16~~ fiscal year  
13 and each fiscal year thereafter, alternative payment programs  
14 serving only migrant populations pursuant to a ~~2013–14~~ ~~2014–15~~  
15 contract shall enroll only children of migrant agricultural worker  
16 families, as defined in subdivision (a) of Section 8231, that move  
17 from place to place for the purpose of agricultural work.

18 SEC. 25. Section 8220.5 of the Education Code is amended to  
19 read:

20 8220.5. (a) To offer maximum support for parents and  
21 providers, alternative payment programs shall have access to  
22 resource and referral services. Funding shall be adequate to  
23 purchase care at the same rate that a private client is charged for  
24 the same service as well as to provide locally designed support  
25 services for parents and providers.

26 (b) Alternative payment programs shall provide professional  
27 and technical assistance and information to providers.

28 SEC. 26. Section 8220.6 is added to the Education Code, to  
29 read:

30 8220.6. (a) Information shall be provided to parents in the  
31 county of service at the time the family is determined eligible for  
32 services, and at recertification, by one of the following:

33 (1) An alternative payment program.

34 (2) A resource and referral program.

35 (3) A partnership between the alternative payment program and  
36 the resource and referral program.

37 (b) The information provided by the program or partnership  
38 shall be to assist parents in making informed choices about  
39 available types of care that would both offer a safe, caring, and  
40 age-appropriate early learning and educational support environment



1 for children, as well as support the parents' work activities,  
2 including, but not limited to, information about high-quality early  
3 learning and educational support options and resources specified  
4 in this subdivision. The program or partnership may utilize  
5 resources from a list posted on the department's Internet Web site  
6 pursuant to subdivision (c) of Section 8206 if this list is available.  
7 If the department does not create a list of resources pursuant to  
8 subdivision (c) of Section 8206, the program or partnership may  
9 develop local resources. These resources shall include, but are not  
10 limited to, the following:

11 (1) Information regarding how to select services that meet the  
12 needs of the parent and child.

13 (2) Information on licensing requirements and procedures for  
14 ~~child care~~ centers and family ~~child~~ care homes.

15 (3) Trustline requirements for homes and providers exempt from  
16 licensure.

17 (4) A range of possible early learning and educational support  
18 options from which a parent may choose.

19 (5) Information on available care subsidies and eligibility  
20 requirements.

21 (6) Quality indicators, including provider or educator training,  
22 accreditation, staff stability, group size, ratio of children to staff,  
23 environments that support the healthy development of children,  
24 parent involvement, and communication between the parent and  
25 provider.

26 (7) Information on quality rating and improvement systems,  
27 where available.

28 (c) The program or partnership shall also provide parenting  
29 information to parents.

30 SEC. 27. Section 8222 of the Education Code is amended to  
31 read:

32 8222. (a) Payments made by alternative payment programs  
33 shall not exceed the applicable market rate ceiling. Alternative  
34 payment programs may expend more than the standard  
35 reimbursement rate for a particular child. However, the aggregate  
36 payments for services purchased by the agency during the contract  
37 year shall not exceed the assigned reimbursable amount as  
38 established by the contract for the year. An agency shall not make  
39 payments in excess of the rate charged to full-cost families. This  
40 section does not preclude alternative payment programs from using

1 the average daily enrollment adjustment factor for children with  
2 exceptional needs as provided in Section 8265.5.

3 (b) Alternative payment programs shall reimburse licensed  
4 providers in accordance with a biennial market rate survey pursuant  
5 to Section 8447, at a rate not to exceed the ceilings established  
6 pursuant to Section 8357.

7 (c) An alternative payment program shall reimburse a licensed  
8 provider for care of a subsidized child based on the rate charged  
9 by the provider to nonsubsidized families, if any, for the same  
10 services, or the rates established by the provider for prospective  
11 nonsubsidized families. A licensed provider shall submit to the  
12 alternative payment program a copy of the provider's rate sheet  
13 listing the rates charged, and the provider's discount or scholarship  
14 policies, if any, along with a statement signed by the provider  
15 confirming that the rates charged for a subsidized child are equal  
16 to or less than the rates charged for a nonsubsidized child.

17 (d) An alternative payment program shall maintain a copy of  
18 the rate sheet and the confirmation statement.

19 (e) A licensed provider shall submit to the local resource and  
20 referral agency a copy of the provider's rate sheet listing rates  
21 charged, and the provider's discount or scholarship policies, if  
22 any, and shall self-certify that the information is correct.

23 (f) Each licensed provider may alter rate levels for subsidized  
24 children once per year and shall provide the alternative payment  
25 program and resource and referral agency with the updated  
26 information pursuant to subdivisions (c) and (e), to reflect any  
27 changes.

28 (g) A licensed provider shall post in a prominent location  
29 adjacent to the provider's license at the ~~child-care~~ facility the  
30 provider's rates and discounts or scholarship policies, if any.

31 (h) An alternative payment program shall verify provider rates  
32 no less frequently than once a year by randomly selecting 10  
33 percent of licensed providers serving subsidized families. The  
34 purpose of this verification process is to confirm that rates reported  
35 to the alternative payment programs reasonably correspond to  
36 those reported to the resource and referral agency and the rates  
37 actually charged to nonsubsidized families for equivalent levels  
38 of services. It is the intent of the Legislature that the privacy of  
39 nonsubsidized families shall be protected in implementing this  
40 subdivision.

1 (i) The department shall develop regulations for addressing  
2 discrepancies in the provider rate levels identified through the rate  
3 verification process in subdivision (h).

4 SEC. 28. Section 8223 of the Education Code is amended to  
5 read:

6 8223. The reimbursement for alternative payment programs  
7 shall include the cost of care paid to providers plus the  
8 administrative and support services costs of the alternative payment  
9 program. The total cost for administration and support services  
10 shall not exceed an amount equal to 17.5 percent of the total  
11 contract amount. The administrative costs shall not exceed the  
12 costs allowable for administration under federal requirements.

13 SEC. 29. Section 8225 of the Education Code is amended to  
14 read:

15 8225. When making referrals, every agency operating a  
16 program providing early learning services or a resource and referral  
17 program and an alternative payment program shall provide at least  
18 four referrals, at least one of which shall be a provider over which  
19 the agency has no fiscal or operational control, as well as  
20 information to a family on the family's ability to choose a license  
21 exempt provider.

22 SEC. 30. Section 8226 of the Education Code is amended to  
23 read:

24 8226. (a) When making referrals, every program operating  
25 pursuant to this article shall provide information to any person  
26 who requests a referral of his or her right to view the licensing  
27 information of a licensed ~~child day care~~ facility required to be  
28 maintained at the facility pursuant to Section 1596.859 of the  
29 Health and Safety Code and to access any public files pertaining  
30 to the facility that are maintained by the State Department of Social  
31 Services Community Care Licensing Division.

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

34 "State law requires licensed ~~child day care~~ facilities to make  
35 accessible to the public a copy of any licensing report pertaining  
36 to the facility that documents a facility visit or a substantiated  
37 complaint investigation. In addition, a more complete file regarding  
38 a child care licensee may be available at an office of the State  
39 Department of Social Services Community Care Licensing

1 Division. You have the right to access any public information in  
2 these files.”

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

7 (d) A program operating pursuant to this article shall, within  
8 two business days of being notified of a revocation or a temporary  
9 suspension order for a licensed ~~child day care~~ facility, do both of  
10 the following:

11 (1) Terminate payment to the facility.

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

14 (e) A program operating pursuant to this article shall, upon being  
15 notified that a licensed ~~child day care~~ facility has been placed on  
16 probation, provide written notice to each parent utilizing the facility  
17 that the facility has been placed on probation and that the parent  
18 has the option of selecting a different *care* provider or remaining  
19 with the facility without risk of subsidy payments to the provider  
20 being terminated. The Legislature urges each agency operating  
21 pursuant to this section to provide the written notice required by  
22 this subdivision in the primary language of the parent, to the extent  
23 feasible.

24 SEC. 31. Section 8227 of the Education Code is amended to  
25 read:

26 8227. (a) To the extent that funding is made available for this  
27 purpose through the annual Budget Act, the alternative payment  
28 agency in each county shall design, maintain, and administer a  
29 system to consolidate local ~~child care~~ waiting lists so as to establish  
30 a countywide centralized eligibility list. In those counties with  
31 more than one alternative payment agency, the agency that also  
32 administers the resource and referral program shall have the  
33 responsibility of developing, maintaining, and administering the  
34 countywide centralized eligibility list. In those counties with more  
35 than one alternative payment agency and more than one resource  
36 and referral program, the department shall establish a process to  
37 select the agency to develop, maintain, and administer the  
38 countywide centralized eligibility list.

39 (b) Notwithstanding subdivision (a), in those counties in which  
40 a countywide centralized eligibility list exists, as of the date that

1 the act adding this section is enacted, the entity administering that  
2 list may receive funding, instead of the entity specified under  
3 subdivision (a).

4 (c) Each centralized eligibility list shall include all of the  
5 following:

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

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

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

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

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

19 (2) A contractor with a campus early learning and educational  
20 support program operating pursuant to Section 66060, a program  
21 operating on a seasonal basis providing services to a migrant  
22 population pursuant to Section 8230, or a program serving severely  
23 disabled children pursuant to subdivision (d) of Section 8250 and  
24 who has a local site waiting list shall submit eligibility list  
25 information to the centralized eligibility list administrator for any  
26 parent seeking subsidized services for whom these programs are  
27 not able to provide early learning and educational support services.  
28 A contractor or program described in this paragraph may utilize  
29 any waiting lists developed at its local site to fill vacancies for its  
30 specific population. Families enrolled from a local site waiting list  
31 shall be enrolled pursuant to Section 8263.

32 SEC. 32. Article 5 (commencing with Section 8228) is added  
33 to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education  
34 Code, to read:

35

36 Article 5. Early Learning Services

37

38 8228. (a) The Superintendent shall administer early learning  
39 and educational support programs through early learning services,  
40 including, but not limited to, early learning programs pursuant to

1 Article ~~6~~ 8 (commencing with Section ~~8230~~) and Article ~~7~~  
2 (~~commencing with Section 8235~~), 8240), family child care home  
3 education networks pursuant to Article 8.5 (commencing with  
4 Section 8245), and services for children pursuant to subdivision  
5 (d) of Section 8250.

6 (b) Contractors providing early learning services pursuant to  
7 this article shall comply with the administrative requirements set  
8 forth in Article 10 (commencing with Section 8255).

9 8228.1. The Superintendent, with funds appropriated for this  
10 purpose, shall administer programs through early learning services.  
11 These programs shall include, but not be limited to, all of the  
12 following:

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

14 (b) Supervision.

15 (c) Parenting education and parent ~~engagement~~. *engagement*  
16 *and involvement*.

17 (d) Developmental and health services.

18 (e) Nutrition.

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

22 (g) Training, professional development, and career advancement  
23 opportunities, documentation of which shall be provided to the  
24 department.

25 SEC. 33. The heading of Article 6 (commencing with Section  
26 8230) of Chapter 2 of Part 6 of Division 1 of Title 1 of the  
27 Education Code is amended to read:

28

29 Article 6. Services for Migrant Populations

30

31 SEC. 34. Section 8230 of the Education Code is amended to  
32 read:

33 8230. Contractors serving migrant populations shall comply  
34 with the requirements set forth in this article. In addition, the  
35 Superintendent shall support and encourage the state-level  
36 coordination of all agencies that offer services to migrant  
37 populations and state-level coordination of existing health funds  
38 for migrants.

39 SEC. 35. Section 8231 of the Education Code is amended to  
40 read:

1 8231. (a) For the purpose of this article, a “migrant agricultural  
2 worker family” means a family that has earned at least 50 percent  
3 of its total gross income from employment in fishing, agriculture,  
4 or agriculturally related work during the 12-month period  
5 immediately preceding the date of application for ~~child care and  
6 development~~ *early learning and educational support* services.

7 (b) Children of migrant agricultural worker families shall be  
8 enrolled in ~~child development~~ *early learning and educational  
9 support* programs on the basis of the following priorities:

10 (1) The family moves from place to place.

11 (2) The family has qualified under paragraph (1) within the past  
12 five years and is currently dependent for its income on agricultural  
13 employment, but is currently settled near agricultural areas.

14 (3) The family resides in a rural agricultural area and is  
15 dependent upon seasonal agricultural work.

16 (4) Eligibility and priority for services for the federally funded  
17 migrant child care and development program shall be in accordance  
18 with the applicable federal regulations.

19 (c) This section shall remain in effect only until July 1, ~~2014,~~  
20 *2015*, and as of that date is repealed, unless a later enacted statute,  
21 that is enacted before July 1, ~~2014,~~ *2015*, deletes or extends that  
22 date.

23 SEC. 36. Section 8231 is added to the Education Code, to read:

24 8231. (a) For the purpose of this chapter, a “migrant  
25 agricultural worker family” means a family with at least one parent  
26 that has earned at least 50 percent of his or her income from  
27 employment in fishing, agriculture, or agriculturally related work  
28 during the 12-month period immediately preceding the date of  
29 application for early learning and educational support services.

30 (b) For purposes of this article, priority for enrollment shall be  
31 given to children of migrant agricultural worker families in the  
32 following priority order:

33 (1) The family moves from place to place.

34 (2) The family has qualified under paragraph (1) within the past  
35 five years and is currently dependent for its income on agricultural  
36 employment, but is currently settled near agricultural areas.

37 (3) The family resides in a rural agricultural area and is  
38 dependent upon seasonal agricultural work.

1 (4) Eligibility and priority for services for the federally funded  
2 migrant child care and development program shall be in accordance  
3 with the applicable federal regulations.

4 (c) (1) If a contractor serving migrant populations, upon  
5 prioritizing migrant families for enrollment and complying with  
6 this section, is unable to reach the anticipated level of enrollment  
7 as provided in the contract for services, the contractor may use  
8 any funds remaining to enroll children from otherwise eligible  
9 families pursuant to the priorities set forth in Section 8263.

10 (2) This subdivision shall be operative only to the extent that  
11 an appropriation for its purposes is included in the annual Budget  
12 Act and is consolidated into a single budget schedule or  
13 subschedule.

14 (d) This section is operative on July 1, ~~2014~~ 2015.

15 SEC. 37. Section 8232 of the Education Code is amended to  
16 read:

17 8232. The Superintendent shall develop appropriate quality  
18 indicators for contractors that serve migrant populations, including  
19 those prescribed in Section 8203, and the following:

20 (a) Social services.

21 (1) Bilingual liaison between migrant parents and the center or  
22 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 program  
29 site of an agency that serves migrant populations.

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, and  
33 hired in early learning programs. Documentation of training and  
34 career ladder opportunities and of recruitment and hiring efforts  
35 shall be provided to the department. Staff training shall include  
36 principles and practices of early learning and educational support  
37 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 SEC. 38. Section 8233 of the Education Code is amended to  
4 read:

5 8233. (a) Cost for migrant population services may exceed  
6 the standard reimbursement rate established by the Superintendent.  
7 In no case shall the reimbursement exceed the cost of the services.  
8 State-funded programs may be eligible for Chapter I federal funds  
9 to supplement state funding. These funds shall not be contingent  
10 upon the provision of additional child days or enrollment.

11 (b) The Superintendent shall annually reimburse agencies that  
12 provide services for seasonal migrant populations pursuant to this  
13 article for approvable startup and closedown costs. Reimbursement  
14 for both startup and closedown costs shall not exceed 15 percent  
15 of the agency's total 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 SEC. 39. The heading of Article 7 (commencing with Section  
21 8235) of Chapter 2 of Part 6 of Division 1 of Title 1 of the  
22 Education Code is amended to read:

23

24 Article 7. California State Preschool Program Services

25

26 SEC. 40. Section 8235 of the Education Code is amended to  
27 read:

28 8235. (a) Contractors providing California state preschool  
29 program services for three-year-old children described in  
30 subdivision-~~(aj)~~ (ak) of Section 8208, and four-year-old children,  
31 as described in subdivision-~~(ak)~~ (al) of Section 8208, shall adhere  
32 to the requirements set forth in Article 5 (commencing with Section  
33 8228) in educational development, health services, social services,  
34 nutritional services, parent education and parent participation,  
35 evaluation, and staff development. These programs shall include,  
36 but are not limited to, part-day age and developmentally appropriate  
37 programs designed to facilitate the transition to kindergarten for  
38 three- and four-year-old children.

39 (b) Preschool services for which federal reimbursement is not  
40 available shall be funded as prescribed by the Legislature in the

1 Budget Act, and unless otherwise specified by the Legislature,  
2 shall not use federal funds made available through Title XX of the  
3 federal Social Security Act (42 U.S.C. Sec. 1397).

4 (c) Three- and four-year-old children are eligible for part-day  
5 California state preschool program services if the family meets at  
6 least one of the criteria specified in paragraph (1) of subdivision  
7 (a) of Section 8263.

8 (d) Notwithstanding any other law, a contractor providing  
9 part-day California state preschool program services may provide  
10 services to children in families whose income is no more than 15  
11 percent above the income eligibility threshold, as described in  
12 Sections 8263 and 8263.1, after all eligible three- and four-year-old  
13 children have been enrolled. No more than 10 percent of children  
14 enrolled, calculated throughout the participating program's entire  
15 contract, may be filled by children in families above the income  
16 eligibility threshold.

17 (e) A part-day California state preschool program shall operate  
18 for a minimum of (1) three hours per day, excluding time for  
19 home-to-school transportation, and (2) a minimum of 175 days  
20 per year, unless the contract specifies a lower number of days of  
21 operation.

22 (f) Any agency described in subdivision (c) of Section 8208 as  
23 an "applicant or contracting agency" is eligible to contract to  
24 operate a California state preschool program.

25 (g) Part-day preschool services shall be reimbursed on a per  
26 capita basis, as determined by the Superintendent, and contingent  
27 on funding being provided for the part-day preschool services in  
28 the annual Budget Act.

29 (h) Federal Head Start funds used to provide services to families  
30 receiving California state preschool services shall be deemed  
31 nonrestricted funds.

32 SEC. 41. Section 8236 of the Education Code is amended to  
33 read:

34 8236. (a) (1) Contractors providing California state preschool  
35 program services pursuant to this article shall give first priority to  
36 three- or four-year-old neglected or abused children who are  
37 recipients of child protective services, or who are at risk of being  
38 neglected, abused, or exploited upon written referral from a legal,  
39 medical, or social service agency. If an agency is unable to enroll  
40 a child in this first priority category, the agency shall refer the

1 child's parent or guardian to local resource and referral services  
2 so that services for the child can be located.

3 (2) Notwithstanding Section 8263, after children in the first  
4 priority category set forth in paragraph (1) are enrolled, each  
5 agency funded pursuant to Section 8235 shall give priority to  
6 eligible four-year-old children before enrolling eligible  
7 three-year-old children. Each agency shall certify to the  
8 Superintendent that enrollment priority is being given to eligible  
9 four-year-old children.

10 (b) For contractors that provide part-day preschool services that  
11 are operating with funding that was initially allocated in a prior  
12 fiscal year, at least one-half of the children enrolled at a preschool  
13 site shall be four-year-old children. Any exception to this  
14 requirement shall be approved by the Superintendent. The  
15 Superintendent shall inform the Department of Finance of any  
16 exceptions that have been granted and the reasons for granting the  
17 exceptions.

18 (c) The following provisions apply to the award of new funding  
19 for the expansion of the California state preschool program services  
20 that is appropriated by the Legislature for that purpose in any fiscal  
21 year:

22 (1) In an application for those expansion funds, an agency shall  
23 furnish the Superintendent with an estimate of the number of  
24 four-year-old and three-year-old children that it plans to serve in  
25 the following fiscal year with those expansion funds. The agency  
26 also shall furnish documentation that indicates the basis of those  
27 estimates.

28 (2) In awarding contracts for expansion pursuant to this  
29 subdivision, the Superintendent, after taking into account the  
30 geographic criteria established pursuant to Section 8279.3, and the  
31 headquarters preferences and eligibility criteria relating to fiscal  
32 or programmatic noncompliance established pursuant to Section  
33 8261, shall give priority to applicant agencies that, in expending  
34 the expansion funds, will be serving the highest percentage of  
35 four-year-old children.

36 (d) This section does not preclude a local educational agency  
37 from subcontracting with an appropriate public or private agency  
38 to operate a California state preschool program and to apply for  
39 funds made available for the purposes of this section. If a school  
40 district chooses not to operate or subcontract for a California state

1 preschool program, the Superintendent shall work with the county  
2 office of education and other eligible agencies to explore possible  
3 opportunities in contracting or alternative subcontracting to provide  
4 a California state preschool program.

5 (e) This section does not prevent eligible children who are  
6 currently receiving services from continuing to receive those  
7 services in future years pursuant to this chapter.

8 SEC. 42. Section 8236.1 of the Education Code is amended to  
9 read:

10 8236.1. The department shall annually monitor funding used  
11 in early learning programs for infants and toddlers, and hours of  
12 service provided in California state preschool program services,  
13 and shall annually report to the Department of Finance and to the  
14 Legislature a statewide summary identifying the estimated funding  
15 used for infants and toddlers, and the number of preschool age  
16 children receiving part-day preschool and wraparound services,  
17 as defined in subdivision (f) of Section 8239. The annual report  
18 shall include a comparison to the prior year on a county-by-county  
19 basis.

20 SEC. 43. Section 8238.4 of the Education Code is amended to  
21 read:

22 8238.4. (a) A family literacy supplemental grant shall be made  
23 available and distributed to qualifying California state preschool  
24 classrooms, as determined by the Superintendent, at a rate of two  
25 thousand five hundred dollars (\$2,500) per class. The  
26 Superintendent shall distribute the family literacy supplemental  
27 grant funds according to the following priorities:

28 (1) First priority shall be assigned to contractors providing  
29 California state preschool program services that contract to receive  
30 this funding before July 1, 2012. These programs shall receive this  
31 funding until their contract is terminated or the California state  
32 preschool program no longer provides family literacy services.

33 (2) Second priority shall be assigned to contractors providing  
34 California state preschool program services operating classrooms  
35 located in the attendance area of elementary schools in deciles 1  
36 to 3, inclusive, based on the most recently published Academic  
37 Performance Index pursuant to Section 52056. The Superintendent  
38 shall use a lottery process in implementing this paragraph.

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

1 (c) Implementation of this section is contingent upon funding  
2 being provided for family literacy supplemental grants for  
3 California state preschool program services in the annual Budget  
4 Act or other statute.

5 SEC. 44. Section 8239 of the Education Code is amended to  
6 read:

7 8239. The Superintendent shall encourage state preschool  
8 program applicants or contracting agencies to offer full-day  
9 services through a combination of part-day preschool slots and  
10 wraparound services. In order to facilitate a full day of services,  
11 all of the following shall apply:

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

14 (b) Wraparound services provided pursuant to this section shall  
15 operate a minimum of 246 days per year unless the contract  
16 specified a lower minimum days of operation. Wraparound services  
17 may operate a full day for the remainder of the year after the  
18 completion of the part-day preschool program services. Services  
19 shall be provided in accordance with Article 1 (commencing with  
20 Section 8200) and Article 5 (commencing with Section 8228).

21 (c) Part-day preschool services combined with wraparound  
22 services shall be reimbursed at no more than the full-day standard  
23 reimbursement rate, with adjustment factors, pursuant to Section  
24 8265 and as determined in the annual Budget Act.

25 (d) Three- and four-year-old children are eligible for wraparound  
26 services to supplement the part-day preschool services if the family  
27 meets the eligibility criteria specified in paragraph (1) of  
28 subdivision (a) of Section 8263, and the parents meet at least one  
29 of the criteria specified in paragraph (2) of subdivision (a) of  
30 Section 8263.

31 (e) Fees shall be assessed and collected for families with children  
32 in part-day preschool programs, or families receiving wraparound  
33 services, or both, pursuant to Article 11.5 (commencing with  
34 Section 8273).

35 (f) The Superintendent shall annually report to the Department  
36 of Finance, on or before October 1 of each year, the fees collected  
37 from families who have children enrolled in the California state  
38 preschool program. The report shall distinguish between family  
39 fees collected for part-day preschool programs and fees collected  
40 for wraparound-child care services.

1 (g) For purposes of this section, “wraparound services” means  
 2 early learning services provided with additional funding that would  
 3 extend the part-day California state preschool program services  
 4 provided pursuant to subdivision (a) to meet families’ needs for  
 5 services *care* while parents participate in an approved work or  
 6 work-related activity. These services shall be provided consistent  
 7 with the early learning and educational support programs provided  
 8 pursuant to Article 1 (commencing with Section 8200) and Article  
 9 5 (commencing with Section 8228).

10 SEC. 45. The heading of Article 8 (commencing with Section  
 11 8240) of Chapter 2 of Part 6 of Division 1 of Title 1 of the  
 12 Education Code is amended to read:

13  
 14 Article 8. Early Learning Programs  
 15

16 SEC. 46. Section 8240 of the Education Code is amended to  
 17 read:

18 8240. (a) The Superintendent, with funds appropriated for this  
 19 purpose, shall administer general early learning and educational  
 20 support programs.

21 General early learning and educational support programs shall  
 22 include:

- 23 (1) Age and developmentally appropriate activities for children.
- 24 (2) Supervision.
- 25 (3) Parenting education and parent ~~involvement~~ *involvement*  
 26 *and engagement*.
- 27 (4) Social services that include, but are not limited to,  
 28 identification of child and family needs and referral to appropriate  
 29 agencies.
- 30 (5) Health services.
- 31 (6) Nutrition.
- 32 (7) Training and career ladder opportunities, documentation of  
 33 which shall be provided to the department.

34 (b) This section shall become inoperative on July 1, ~~2014~~, *2015*,  
 35 and, as of January 1, ~~2015~~, *2016*, is repealed, unless a later enacted  
 36 statute that is enacted before January 1, ~~2015~~, *2016*, deletes or  
 37 extends the dates on which it becomes inoperative and is repealed.

38 SEC. 47. Section 8240 is added to the Education Code, to read:

39 8240. (a) Early learning programs shall serve children from  
 40 birth to 13 years of age, including, but not limited to, services

1 *pursuant to Article 5 (commencing with Section 8228) for all of*  
2 *the following:*

- 3 (1) Infants and toddlers.
- 4 (2) Preschool age children.
- 5 (3) Schoolage children.
- 6 (4) Migrant children.

7 (b) The Superintendent shall streamline the delivery of early  
8 learning programs through the consolidation of contracts that serve  
9 children described in subdivision (a). This shall include, but is not  
10 limited to, services for both of the following special populations:

- 11 (1) Preschool age children.
- 12 (2) Migrant children.

13 (c) Contractors shall continue to serve the same populations  
14 specified in their ~~2013-14~~ 2014-15 contracts, unless they receive  
15 prior approval from the department.

16 (d) Contractors that provide services to migrant populations  
17 shall comply with Article 6 (commencing with Section 8230).

18 (e) Contractors that provide services to California state preschool  
19 program populations shall comply with Article 7 (commencing  
20 with Section 8235).

21 (f) Subdivisions (b) and (c) shall be operative only to the extent  
22 that an appropriation for its purposes is included in the annual  
23 Budget Act and is consolidated into a single budget schedule or  
24 subschedule.

25 (g) This section shall become operative on July 1, ~~2014~~ 2015.

26 SEC. 48. Section 8244 of the Education Code is amended to  
27 read:

28 8244. (a) (1) Any entity operating programs funded pursuant  
29 to this chapter that provide early learning services to children at  
30 two or more sites, including through more than one contract or  
31 subcontract funded pursuant to this chapter, shall employ a program  
32 director.

33 (2) Programs providing direct services to children, for the  
34 purposes of this section, are early learning services pursuant to  
35 Article 5 (commencing with Section 8228), migrant services  
36 pursuant to Article 6 (commencing with Section 8230), California  
37 state preschool programs pursuant to Article 7 (commencing with  
38 Section 8235), early learning services for children pursuant to  
39 subdivision (d) of Section 8250, infant care and development  
40 services programs pursuant to Article 17 (commencing with Section

1 8390), and any of these programs operated through family child  
2 care homes.

3 (b) (1) For purposes of this section, the following definitions  
4 shall apply:

5 (A) “Administrative responsibility” means awareness of the  
6 financial and business circumstances of the program, and, in  
7 appropriate cases, supervision of administrative and support  
8 personnel and the knowledge and authority to direct or modify  
9 administrative practices and procedures to ensure compliance to  
10 administrative and financial standards imposed by law.

11 (B) “Program director” means a person who, regardless of his  
12 or her title, has programmatic and administrative responsibility  
13 for an early learning and educational support program that provides  
14 direct services to children at two or more sites.

15 (C) “Programmatic responsibility” means overall supervision  
16 of curriculum and instructional staff, including instructional aides,  
17 and the knowledge and authority to direct or modify program  
18 practices and procedures to ensure compliance to applicable quality  
19 and health and safety standards imposed by law.

20 (2) Administrative and programmatic responsibility also includes  
21 the responsibility to act as the representative for the early learning  
22 and educational support program to the department. With respect  
23 to programs operated through family—~~child~~ care homes,  
24 administrative and programmatic responsibility includes ensuring  
25 that quality services are provided in the family—~~child~~ care homes.

26 (c) The program director also may serve as the site supervisor  
27 at one of the sites, provided that he or she both fulfills the duties  
28 of a ~~day~~ *child* care center director, as set forth in Section 101215.1  
29 of Title 22 of the California Code of Regulations, and meets the  
30 qualifications for a site supervisor as set forth in subdivision—~~(ab)~~  
31 *(ac)* of Section 8208.

32 (d) The Superintendent may waive the qualifications for program  
33 director described in Sections 8360.1 and 8360.3 upon a finding  
34 of one of the following circumstances:

35 (1) The applicant is making satisfactory progress toward  
36 securing a permit issued by the Commission on Teacher  
37 Credentialing authorizing supervision of an early learning and  
38 educational support program operating in two or more sites or  
39 fulfilling the qualifications for program directors in programs  
40 serving severely disabled children, as specified in Section 8360.3.



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

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

8 SEC. 49. The heading of Article 9 (commencing with Section  
9 8250) of Chapter 2 of Part 6 of Division 1 of Title 1 of the  
10 Education Code is amended to read:

11  
12 Article 9. Services for Children with Special Needs

13  
14 SEC. 50. Section 8250 of the Education Code is amended to  
15 read:

16 8250. (a) The Superintendent shall ensure that eligible children  
17 with exceptional needs are given equal access to all early learning  
18 and educational support programs. Available federal and state  
19 funds for children with exceptional needs above the standard  
20 reimbursement amount shall be used to assist agencies in  
21 developing and supporting appropriate programs for these children.

22 (b) To provide children with exceptional needs with additional  
23 access to early learning and educational support programs, the  
24 Superintendent shall establish alternate appropriate placements,  
25 such as self-contained programs and innovative programs using  
26 the least restrictive environment. These programs shall be started  
27 as expansion funds become available and shall be expanded  
28 throughout the implementation of the plan. The Superintendent  
29 shall utilize existing program models and input from program  
30 specialists to develop new program criteria and guidelines for  
31 programs serving children with exceptional needs. These programs  
32 may serve children with exceptional needs up to 21 years of age.

33 (c) Any child with exceptional needs served in early learning  
34 and educational support programs shall be afforded all rights and  
35 protections guaranteed in state and federal laws and regulations  
36 for individuals with exceptional needs.

37 (d) Notwithstanding any other provision of this chapter, the  
38 Superintendent may develop unique reimbursement rates for, and  
39 make reimbursements to, early learning and educational support  
40 programs that received state funding for the 1980–81 fiscal year

1 and serve severely disabled children, as defined in subdivision ~~(z)~~  
2 *(aa)* of Section 8208, when all of the following conditions exist:

3 (1) Eligibility for enrollment of a severely disabled child in the  
4 program is the sole basis of the child's need for service.

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

7 (3) No fees are charged to the parents of the severely disabled  
8 children receiving the services.

9 (e) The Superintendent shall include providers in all personnel  
10 development for persons providing services for children with  
11 exceptional needs.

12 SEC. 51. Section 8250.5 of the Education Code is amended to  
13 read:

14 8250.5. A contractor providing services pursuant to an early  
15 learning services contract or an alternative payment contract is  
16 subject to the requirements of the federal Americans with  
17 Disabilities Act (42 U.S.C. Sec. 12101 et seq.).

18 SEC. 52. Section 8251 of the Education Code is amended to  
19 read:

20 8251. (a) All contractors administering early learning services  
21 shall include plans or programs, or both, for the care of the children  
22 when they are sick. These plans shall be age appropriate and  
23 parents shall be included in the planning and evaluation. The  
24 Superintendent shall disseminate information regarding effective  
25 sick child care models to all early learning and educational support  
26 programs.

27 (b) Nothing in this chapter shall be construed to allow the  
28 practice of medicine without a license.

29 SEC. 53. Section 8252 of the Education Code is amended to  
30 read:

31 8252. (a) The department and the local county welfare  
32 department shall enter into contracts that establish the procedures  
33 for serving and referring a child in need of care as part of the  
34 provision of protective services pursuant to Chapter 5 (commencing  
35 with Section 16500) of Part 4 of Division 9 of the Welfare and  
36 Institutions Code. The department, in consultation with the State  
37 Department of Social Services, may contract with another  
38 appropriate community agency that provides services or referrals,  
39 or both, for the prevention or intervention of child abuse or neglect

1 if no such contract for ~~child~~ care services exists between the  
2 department and the county welfare department.

3 (b) The contracts shall specify the resource and referral program  
4 or operating agency or agencies providing early learning and  
5 educational support pursuant to this chapter in the county that the  
6 local contracting agency shall contact to secure care for a child  
7 needing protective services. If an operating agency is unable to  
8 enroll the child, the local contracting agency described in  
9 subdivision (a) with the assistance of the providers of local  
10 resources and referral services shall locate services for the family.  
11 Payments for these located services in the absence of other funds  
12 shall be made by the local contracting agency.

13 (c) The need for services funded pursuant to this section shall  
14 be reviewed by the local contracting agency no less than every  
15 three months.

16 SEC. 54. Section 8255 of the Education Code is amended to  
17 read:

18 8255. (a) The Legislature finds and declares that the  
19 effectiveness of early learning and educational support programs  
20 can be increased through improved state administration, technical  
21 assistance to provider agencies, and monitoring.

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

23 (1) That the department develop clear, consistent, and  
24 appropriate regulations for early learning and educational support  
25 programs to replace policy guidelines that are not subject to the  
26 public hearing process, often inconsistent, and without the force  
27 of law.

28 (2) That the department make better use of staff with direct field  
29 experience in early learning and educational support programs.

30 (3) That better criteria be developed for the awarding,  
31 evaluating, and renewal of early learning and educational support  
32 contracts.

33 (4) That improvements be made in the method of reimbursing  
34 providers.

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

37 ~~SEC. 55. Section 8257 of the Education Code is amended to~~  
38 ~~read:~~

39 ~~8257. The department shall do all of the following in~~  
40 ~~administering this chapter:~~

1 ~~(a) Apply sanctions against contracting agencies that have~~  
2 ~~serious licensing violations, as defined and reported by the State~~  
3 ~~Department of Social Services pursuant to Section 1544 of the~~  
4 ~~Health and Safety Code.~~

5 ~~(b) Provide 90 days' written notification to any contractor whose~~  
6 ~~agreement is being terminated, except if there is imminent danger~~  
7 ~~to the health and welfare of children if agency operation is not~~  
8 ~~terminated more promptly. Notwithstanding Article 18~~  
9 ~~(commencing with Section 8400), the department shall establish~~  
10 ~~procedures for placing a contractor whose agreement is being~~  
11 ~~terminated into receivership. Action to initiate receivership shall~~  
12 ~~be at the discretion of the department, and may be taken against a~~  
13 ~~contractor whose agreement is being terminated either immediately~~  
14 ~~or within 90 days. The receiver shall not be a department employee.~~  
15 ~~The receiver shall have sufficient experience in the administration~~  
16 ~~of early learning and educational support programs to ensure~~  
17 ~~compliance with the terms of the receivership.~~

18 *SEC. 55. Section 8257 of the Education Code is amended to*  
19 *read:*

20 8257. The department shall do all of the following in  
21 administering the provisions of this chapter:

22 (a) Apply sanctions against contracting agencies that have  
23 serious licensing violations, as defined and reported by the State  
24 Department of Social Services pursuant to Section 1597.11 of the  
25 Health and Safety Code.

26 (b) Except in the case of immediate terminations taken pursuant  
27 to Sections 8406.7 or 8406.9, provide 90 days' written notification  
28 to any contractor whose agreement is being terminated.  
29 Notwithstanding Article 18 (commencing with Section 8400), the  
30 department shall establish procedures for placing a contractor  
31 whose agreement is being terminated into receivership. Action to  
32 initiate receivership shall be at the discretion of the department,  
33 and may be taken against a contractor whose agreement is being  
34 terminated either immediately or within 90 days. The receiver shall  
35 not be a department employee. The receiver shall have sufficient  
36 experience in the administration of ~~child care and development~~  
37 *early learning and educational support* programs to ensure  
38 compliance with the terms of the receivership.

39 *SEC. 56. Section 8258 of the Education Code is amended to*  
40 *read:*

1 8258. (a) A person employed by the department in a  
2 policymaking position in the area of early learning and educational  
3 support programs shall not serve as a member of the board of  
4 directors, advisory council, or advisory committee for any agency  
5 receiving funds pursuant to this chapter.

6 (b) A retired, dismissed, separated, or formerly employed person  
7 of the department employed under the State Civil Service Act or  
8 otherwise appointed to serve in the department shall not enter into  
9 a contract pursuant to Section 8262 in which he or she engaged in  
10 any of the negotiations, transactions, planning, arrangements, or  
11 any part of the decisionmaking process relevant to the contract  
12 while employed in any capacity by the department. The prohibition  
13 contained in this subdivision shall apply to the person only during  
14 the two-year period beginning on the date the person left state  
15 employment.

16 (c) For a period of 12 months following the date of his or her  
17 retirement, dismissal, or separation from state service, a person  
18 employed under state civil service or otherwise appointed to serve  
19 in the department shall not enter into a contract pursuant to Section  
20 8262 if he or she was employed by the department in a  
21 policymaking position in the area of early learning and educational  
22 support programs within the 12-month period before his or her  
23 retirement, dismissal, or separation.

24 (d) For a period of 12 months following the date of his or her  
25 retirement, dismissal, or separation from state service, ~~no~~ a person  
26 employed under state civil service or otherwise appointed to serve  
27 in the department ~~may~~ shall not be employed by a contractor  
28 pursuant to Section 8262 if he or she engaged in any of the  
29 negotiations, transactions, planning, arrangements, or any part of  
30 the decisionmaking process relevant to the contract while employed  
31 in any capacity by the department.

32 SEC. 57. Section 8261 of the Education Code is amended to  
33 read:

34 8261. (a) The Superintendent shall adopt rules and regulations  
35 pursuant to this chapter. The rules and regulations shall include,  
36 but not be limited to, provisions which do all of the following:

37 (1) Provide clear guidelines for the selection of agencies when  
38 early learning and educational support contracts are let.

1 (2) Provide for a contract monitoring system to ensure that  
2 agencies expend funds received pursuant to this chapter in  
3 accordance with the provisions of their contracts.

4 (3) Specify adequate standards of agency performance.

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

8 (5) Specify standards for withholding payments to agencies that  
9 fail to submit required fiscal reports.

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

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

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

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

1 If state and federal regulations conflict, the federal regulations  
2 shall apply unless a waiver of federal regulations is authorized.

3 (2) For purposes of this section, “Child Care and Development  
4 Fund” has the same meaning as in Section 98.2 of Title 45 of the  
5 Code of Federal Regulations.

6 SEC. 58. Section 8261.5 of the Education Code is amended to  
7 read:

8 8261.5. For purposes of meeting state and federal reporting  
9 requirements and for the effective administration of early learning  
10 and educational support programs, the Superintendent is authorized  
11 to require the collection and submission of social security numbers  
12 of heads of households, and other information as required, from  
13 public and private agencies contracting with the department  
14 pursuant to this chapter, including local educational agencies.

15 SEC. 59. Section 8262 of the Education Code is amended to  
16 read:

17 8262. Notwithstanding Sections 14616 and 14780 of the  
18 Government Code, the Superintendent may enter into and execute  
19 local contractual agreements with any public or private entity or  
20 agency for the delivery of early learning and educational support  
21 services or the furnishing of property, facilities, personnel, supplies,  
22 equipment, and administrative services related to the delivery of  
23 early learning and educational support services. Before entering  
24 into or executing a local agreement, the department shall obtain  
25 annual approval from the Department of General Services and the  
26 Department of Finance as to the form and general content thereof.  
27 The agreements may only be made for the delivery of early learning  
28 and educational support services, or the furnishing of property,  
29 facilities, personnel, supplies, equipment, or administrative services  
30 related thereto, which conform with the provisions of this chapter.

31 SEC. 60. Section 8263 of the Education Code is amended to  
32 read:

33 8263. (a) The Superintendent shall adopt rules and regulations  
34 on eligibility, enrollment, and priority of services needed to  
35 implement this chapter. In order to be eligible for federal and state  
36 subsidized early learning and educational support services, families  
37 shall meet at least one requirement in each of the following areas:

38 (1) A family is (A) a current aid recipient, (B) income eligible,  
39 (C) homeless, or (D) one whose children are recipients of protective  
40 services, or whose children have been identified as being abused,

1 neglected, or exploited, or at risk of being abused, neglected, or  
2 exploited.

3 (2) A family needs the ~~child~~ care services (A) because the child  
4 is identified by a legal, medical, or social services agency, or  
5 emergency shelter as (i) a recipient of protective services or (ii)  
6 being neglected, abused, or exploited, or at risk of neglect, abuse,  
7 or exploitation, or (B) because the parents are (i) engaged in  
8 vocational training leading directly to a recognized trade,  
9 paraprofession, or profession, (ii) employed or seeking  
10 employment, (iii) seeking permanent housing for family stability,  
11 or (iv) incapacitated.

12 (b) Except as provided in Article 15.5 (commencing with Section  
13 8350), priority for federal and state subsidized early learning and  
14 educational support services is as follows:

15 (1) (A) First priority shall be given to neglected or abused  
16 children who are recipients of child protective services, or children  
17 who are at risk of being neglected or abused, upon written referral  
18 from a legal, medical, or social services agency. If an agency is  
19 unable to enroll a child in the first priority category, the agency  
20 shall refer the family to local resource and referral services to  
21 locate services for the child.

22 (B) A family who is receiving ~~child~~ care on the basis of being  
23 a child at risk of abuse, neglect, or exploitation, as defined in  
24 subdivision ~~(i)~~ (j) of Section 8208, is eligible to receive services  
25 pursuant to subparagraph (A) for up to three months, unless the  
26 family becomes eligible pursuant to subparagraph (C).

27 (C) A family may receive ~~child~~ care services for up to 12 months  
28 on the basis of a certification by the county child welfare agency  
29 that child care services continue to be necessary or, if the child is  
30 receiving child protective services during that period of time, and  
31 the family requires ~~child~~ care and remains otherwise eligible. This  
32 time limit does not apply if the family's ~~child~~ care referral is  
33 recertified by the county child welfare agency.

34 (2) Second priority shall be given equally to eligible families,  
35 regardless of the number of parents in the home, who are income  
36 eligible. Within this priority, families with the lowest gross monthly  
37 income in relation to family size, as determined by a schedule  
38 adopted by the Superintendent, shall be admitted first. If two or  
39 more families are in the same priority in relation to income, the  
40 family that has a child with exceptional needs shall be admitted



1 first. If there is no family of the same priority with a child with  
2 exceptional needs, the same priority family that has been on the  
3 waiting list for the longest time shall be admitted first. For purposes  
4 of determining order of admission, the grants of public assistance  
5 recipients shall be counted as income.

6 (3) The Superintendent shall set criteria for, and may grant  
7 specific waivers of, the priorities established in this subdivision  
8 for agencies that wish to serve specific populations, including  
9 children with exceptional needs or children of prisoners. These  
10 new waivers shall not include proposals to avoid appropriate fee  
11 schedules or admit ineligible families, but may include proposals  
12 to accept members of special populations in other than strict income  
13 order, as long as appropriate fees are paid.

14 (c) Notwithstanding any other law, in order to promote  
15 continuity of services, a family enrolled in a state or federally  
16 funded early learning and educational support program whose  
17 services would otherwise be terminated because the family no  
18 longer meets the program income, eligibility, or need criteria may  
19 continue to receive services in another state or federally funded  
20 early learning and educational support program if the contractor  
21 is able to transfer the family's enrollment to another program for  
22 which the family is eligible before the date of termination of  
23 services or to exchange the family's existing enrollment with the  
24 enrollment of a family in another program, provided that both  
25 families satisfy the eligibility requirements for the program in  
26 which they are being enrolled. The transfer of enrollment may be  
27 to another program within the same administrative agency or to  
28 another agency that administers state or federally funded early  
29 learning and educational support programs.

30 (d) In order to promote continuity of services, the Superintendent  
31 may extend the 60-working-day period specified in subdivision  
32 (a) of Section 18086.5 of Title 5 of the California Code of  
33 Regulations for an additional 60 working days if he or she  
34 determines that opportunities for employment have diminished to  
35 the degree that one or both parents cannot reasonably be expected  
36 to find employment within 60 working days and granting the  
37 extension is in the public interest. The scope of extensions granted  
38 pursuant to this subdivision shall be limited to the necessary  
39 geographic areas and affected persons, which shall be described  
40 in the Superintendent's order granting the extension. It is the intent

1 of the Legislature that extensions granted pursuant to this  
2 subdivision improve services in areas with high unemployment  
3 rates and areas with disproportionately high numbers of seasonal  
4 agricultural jobs.

5 (e) A physical examination and evaluation, including  
6 age-appropriate immunization, shall be required before, or within  
7 six weeks of, enrollment. A standard, rule, or regulation shall not  
8 require medical examination or immunization for admission to an  
9 early learning and educational support program of a child whose  
10 parent or guardian files a letter with the governing board of the  
11 program stating that the medical examination or immunization is  
12 contrary to his or her religious beliefs, or provide for the exclusion  
13 of a child from the program because of a parent or guardian having  
14 filed the letter. However, if there is good cause to believe that a  
15 child is suffering from a recognized contagious or infectious  
16 disease, the child shall be temporarily excluded from the program  
17 until the governing board of the program is satisfied that the child  
18 is not suffering from that contagious or infectious disease.

19 (f) Regulations formulated and promulgated pursuant to this  
20 section shall include the recommendations of the State Department  
21 of Health Care Services relative to health care screening and the  
22 provision of health care services. The Superintendent shall seek  
23 the advice and assistance of these health authorities in situations  
24 where service under this chapter includes or requires care of  
25 children who are ill or children with exceptional needs.

26 (g) The Superintendent shall establish guidelines for the  
27 collection of employer-sponsored ~~child~~ care benefit payments from  
28 a parent whose child receives subsidized early learning and  
29 educational support services. These guidelines shall provide for  
30 the collection of the full amount of the benefit payment, but not  
31 to exceed the actual cost of early learning and educational support  
32 services provided, notwithstanding the applicable fee based on the  
33 fee schedule.

34 (h) The Superintendent shall establish guidelines according to  
35 which the director or a duly authorized representative of the early  
36 learning and educational support program will certify children as  
37 eligible for state reimbursement pursuant to this section.

38 (i) Public funds shall not be paid directly or indirectly to an  
39 agency that does not pay at least the minimum wage to each of its  
40 employees.

1 SEC. 61. Section 8263.2 of the Education Code is amended to  
2 read:

3 8263.2. (a) Notwithstanding any other law, effective July 1,  
4 2011, the department shall reduce the maximum reimbursable  
5 amounts of the contracts for the Preschool Education Program, the  
6 General Child Care Program, the Migrant Day Care Program, the  
7 Alternative Payment Program, the CalWORKs Stage 3 Program,  
8 and the Allowance for Handicapped Program by 11 percent or by  
9 whatever proportion is necessary to ensure that expenditures for  
10 these programs do not exceed the amounts appropriated for them,  
11 including any reductions made subsequent to the adoption of the  
12 annual Budget Act. The department may consider the contractor's  
13 performance or whether the contractor serves children in an  
14 underserved area, as defined in subdivision ~~(ah)~~ (ai) of Section  
15 8208, when determining contract reductions, provided that the  
16 aggregate reduction to each program specified in this subdivision  
17 is 11 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.

21 (b) Notwithstanding any other law, effective July 1, 2011,  
22 families shall be disenrolled from subsidized services, consistent  
23 with the priorities for services specified in subdivision (b) of  
24 Section 8263. Families shall be disenrolled in the following order:

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

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

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

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

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

38 SEC. 62. Section 8263.3 of the Education Code is amended to  
39 read:

1 8263.3. (a) Notwithstanding any other law, and in addition to  
2 any reductions applied pursuant to Section 8263.2, effective July  
3 1, 2012, the department shall reduce the maximum reimbursable  
4 amounts of the contracts for the General Child Care Program, the  
5 Migrant Day Care Program, the Alternative Payment Program, the  
6 CalWORKs Stage 3 Program, and the Allowance for Handicapped  
7 Program by 8.7 percent or by whatever proportion is necessary to  
8 ensure that expenditures for these programs do not exceed the  
9 amounts appropriated for them, as adjusted for any reductions in  
10 appropriations made subsequent to the adoption of the annual  
11 Budget Act. The department may consider the contractor's  
12 performance or whether the contractor serves children in an  
13 underserved area, as defined in subdivision ~~(ah)~~ (ai) of Section  
14 8208, when determining contract reductions, provided that the  
15 aggregate reduction to each program specified in this subdivision  
16 is 8.7 percent or whatever proportion is necessary to ensure that  
17 expenditures for these programs do not exceed the amounts  
18 appropriated for them, as adjusted for any reductions in  
19 appropriations made subsequent to the adoption of the annual  
20 Budget Act.

21 (b) Notwithstanding any other law, effective July 1, 2012,  
22 families shall be disenrolled from subsidized services, consistent  
23 with the priorities for services specified in subdivision (b) of  
24 Section 8263. Families shall be disenrolled in the following order:

- 25 (1) Families with the highest income in relation to family size.
- 26 (2) Families that have the same income and have been enrolled  
27 in services the longest.
- 28 (3) Families that have the same income and have a child with  
29 exceptional needs.
- 30 (4) Families whose children are receiving child protective  
31 services or are at risk of being neglected or abused, regardless of  
32 family income.

33 SEC. 63. Section 8263.4 of the Education Code is amended to  
34 read:

35 8263.4. (a) The preferred placement for children who are 11  
36 or 12 years of age and who are otherwise eligible for subsidized  
37 early learning and educational support services shall be in a before  
38 or after school program.

39 (b) Children who are 11 or 12 years of age shall be eligible for  
40 subsidized *early learning and educational support* services only

1 for the portion of care needed that is not available in a before or  
2 after school program provided pursuant to Article 22.5  
3 (commencing with Section 8482) or Article 22.6 (commencing  
4 with Section 8484.7). Contractors shall provide each family of an  
5 eligible 11- or 12-year-old child with the option of combining care  
6 provided in a before or after school program with subsidized care  
7 in another setting, for those hours within a day when the before or  
8 after school program does not operate, in order to meet the needs  
9 of the family.

10 (c) Children who are 11 or 12 years of age, who are eligible for  
11 and who are receiving subsidized *early learning and educational*  
12 *support* services, and for whom a before or after school program  
13 is not available, shall continue to receive subsidized *early learning*  
14 *and educational support* services.

15 (d) A before or after school program shall be considered not  
16 available when a parent certifies in writing, on a form provided  
17 by the department that is translated into the parent's primary  
18 language pursuant to Sections 7295.4 and 7296.2 of the  
19 Government Code, the reason or reasons why the program would  
20 not meet the needs of the family. The reasons why a before or after  
21 school program shall be considered not available shall include,  
22 but not be limited to, any of the following:

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

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

27 (3) The program is too geographically distant from the child's  
28 school of attendance.

29 (4) The program is too geographically distant from the parents'  
30 residence.

31 (5) Use of the program would create substantial transportation  
32 obstacles for the family.

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

35 (e) If an 11- or 12-year-old child who is enrolled in a subsidized  
36 early learning and educational support program becomes ineligible  
37 for subsidized ~~care~~ *early learning and educational support*  
38 *programs* under subdivision (b) and is disenrolled from the before  
39 or after school program, or if the before or after school program  
40 no longer meets the needs of the family, the child shall be given

1 priority to return to the subsidized early learning and educational  
2 support ~~services~~ *program* upon the parent's notification of the  
3 contractor of the need for ~~child~~ care.

4 (f) This section does not apply to an 11- or 12-year-old child  
5 with a disability, including a child with exceptional needs who has  
6 an individualized education program as required by the federal  
7 Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400  
8 et seq.), Section 504 of the federal Rehabilitation Act of 1973 (29  
9 U.S.C. Sec. 794), or Part 30 (commencing with Section 56000) of  
10 Division 4 of Title 2.

11 (g) The savings generated each contract year by the  
12 implementation of the changes made to this section by Chapter 78  
13 of the Statutes of 2005 shall remain with each early learning and  
14 educational support ~~services~~ *program* contractor for the provision  
15 of services, except for care provided by programs pursuant to  
16 Article 15.5 (commencing with Section 8350). Each contractor  
17 shall report annually to the department the amount of savings  
18 resulting from this implementation, and the department shall report  
19 annually to the Legislature the amount of savings statewide  
20 resulting from that implementation.

21 SEC. 64. Section 8264 of the Education Code is amended to  
22 read:

23 8264. By July 1, 1981, and annually thereafter, the State  
24 Department of Health Care Services shall provide a mechanism  
25 for the delivery of health screening and followup services for  
26 children enrolled in early learning and educational support  
27 programs for whom there are no appropriate health services  
28 accessible by referral.

29 SEC. 65. Section 8264.5 of the Education Code is amended to  
30 read:

31 8264.5. The Superintendent may waive or modify requirements  
32 in order to enable contractors administering early learning services  
33 to serve combinations of eligible children in areas of low  
34 population. The programs for which the Superintendent may grant  
35 waivers shall include, but need not be limited to, California state  
36 preschool full-day program services, services provided by the  
37 California School Age Families Education Program (Article 7.1  
38 (commencing with Section 54740) of Chapter 9 of Part 29 of  
39 Division 4 of Title 2), infant and toddler services, migrant services,

1 and early learning programs operating pursuant to Article 8  
2 (commencing with Section 8240).

3 SEC. 66. Section 8264.6 of the Education Code is amended to  
4 read:

5 8264.6. The Superintendent may provide outreach services and  
6 technical assistance to new applicants or contracting agencies and  
7 to those providing services during nontraditional times, in  
8 underserved geographic areas, and for children with specific service  
9 needs, including infants and toddlers under three years of age.

10 SEC. 67. Section 8264.7 of the Education Code is amended to  
11 read:

12 8264.7. (a) The Superintendent shall establish rules and  
13 regulations for the staffing of all early learning services under  
14 contract with the department.

15 (b) Priority shall be given by the department to the employment  
16 of persons in early learning services with ethnic backgrounds that  
17 are similar to those of the child for whom services are provided.

18 (c) For purposes of staffing early learning services, the role of  
19 a teacher in child supervision means direct supervision of the  
20 children as well as supervision of aides and groups of children.

21 (d) Family child care homes shall operate pursuant to  
22 adult-to-child ratios prescribed in Chapter 7 (commencing with  
23 Section 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  
36 services 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.

39 SEC. 68. Section 8264.8 of the Education Code is repealed.

1 SEC. 69. Section 8264.8 is added to the Education Code, to  
 2 read:

3 8264.8. (a) Early learning and educational support programs  
 4 shall maintain at least the following minimum ratios in all early  
 5 learning services except for family child care home education  
 6 networks operating pursuant to Article 8.5 (commencing with  
 7 Section 8245):

8 (1) Infants, birth to 18 months old—1:3 adult-to-child ratio,  
 9 1:18 teacher-to-child ratio.

10 (2) Toddlers, 18 months up to their third birthday—1:4  
 11 adult-to-child ratio, 1:16 teacher-to-child ratio.

12 (3) Preschool, at least 30 months to kindergarten eligibility—1:8  
 13 adult-to-child ratio, 1:24 teacher-to-child ratio.

14 (4) Schoolage, enrolled in kindergarten to their 13th  
 15 birthday—1:14 adult-to-child ratio, 1:28 teacher-to-child ratio.

16 (b) Compliance with the ratios established by subdivision (a)  
 17 shall be determined based on actual attendance.

18 SEC. 70. Section 8265 of the Education Code is amended to  
 19 read:

20 8265. (a) The Superintendent shall implement a plan that  
 21 establishes reasonable standards and assigned reimbursement rates,  
 22 which vary with the length of the program year and the hours of  
 23 service.

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

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

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

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

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

37 (c) The plan shall require agencies having an assigned  
 38 reimbursement rate above the current year standard reimbursement  
 39 rate to reduce costs on an incremental basis to achieve the standard  
 40 reimbursement rate.



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

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

7 (2) Need of an agency to pay the same rates as those prevailing  
8 in the local community.

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

11 (4) Documented increased costs necessary to maintain the prior  
12 year's level of service and ensure the continuation of threatened  
13 programs. Agencies funded at the lowest rates shall be given first  
14 priority for increases.

15 (e) The plan shall provide for expansion of early learning  
16 services at no more than the standard reimbursement rate for that  
17 fiscal year.

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

20 (1) Serves more than 400 children.

21 (2) Has in effect a collective bargaining agreement.

22 (3) Has other extenuating circumstances that apply, as  
23 determined by the Superintendent.

24 SEC. 71. Section 8266 of the Education Code is amended to  
25 read:

26 8266. (a) Notwithstanding Section 8265, the assigned  
27 reimbursement rate of an early learning program (1) contracting  
28 with the department, (2) operating under licensing standards for  
29 ~~child care and development~~ facilities specified by ~~Section 1500 et~~  
30 ~~seq. in Chapter 3 (commencing with Section 1500) of Division 2~~  
31 of the Health and Safety Code and by Title 22 of the California  
32 Code of Regulations, and (3) with less than a majority of subsidized  
33 children enrolled in the facility, shall be equivalent to the fee paid  
34 for the same service by families of nonsubsidized children.

35 (b) It is not the intent of the Legislature to preclude an agency  
36 with a contract with the department from adjusting the fees charged  
37 to nonsubsidized children during the contract year. In no event  
38 shall the assigned reimbursement rate exceed the standard  
39 reimbursement rate established pursuant to Section 8265.

1 (c) An agency subject to this section shall provide  
2 documentation to the department that subsidized children, as  
3 necessary and appropriate, shall receive supportive services through  
4 county welfare departments, resource and referral programs, or  
5 other existing community resources, or all of them.

6 SEC. 72. Section 8266.1 of the Education Code is amended to  
7 read:

8 8266.1. Commencing with the 1995–96 fiscal year and each  
9 fiscal year thereafter, for the purposes of this chapter,  
10 reimbursement rates shall be adjusted by the following  
11 reimbursement factors for early learning services with a standard  
12 reimbursement rate, but shall not apply to the resource and referral  
13 programs set forth in Article 2 (commencing with Section 8210),  
14 the alternative payment programs set forth in Article 3  
15 (commencing with Section 8220), or the part-day California state  
16 preschool programs set forth in Article 7 (commencing with  
17 Section 8235).

18 (a) For early learning services serving children for less than  
19 four hours per day, the reimbursement factor is 55 percent of the  
20 standard reimbursement rate.

21 (b) For early learning services serving children for not less than  
22 four hours per day, and less than six and one-half hours per day,  
23 the reimbursement factor is 75 percent of the standard  
24 reimbursement rate.

25 (c) For early learning services serving children for not less than  
26 six and one-half hours per day, and less than 10½ hours per day,  
27 the reimbursement factor is 100 percent of the standard  
28 reimbursement rate.

29 (d) For early learning services serving children for 10½ hours  
30 or more per day, the reimbursement factor is 118 percent of the  
31 standard reimbursement rate.

32 SEC. 73. Section 8272 of the Education Code is amended to  
33 read:

34 8272. (a) The rules, regulations, and guidelines adopted by  
35 the Superintendent pursuant to Sections 8261 and 8269 shall permit  
36 reimbursement for interest paid by contractors on private sector  
37 debt financing for the purchase, lease-purchase, repair, or  
38 renovation of early learning and educational support facilities  
39 owned or leased by contractors providing early learning and  
40 educational support services.

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

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

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

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

23 (c) Loans or lease-purchase agreements amortized over the  
24 number of years designated in subdivision (b), but due in a fewer  
25 number of years, shall not be disallowed because of the shorter  
26 due date.

27 SEC. 74. Section 8275 of the Education Code is amended to  
28 read:

29 8275. (a) The Superintendent may reimburse approvable  
30 startup costs of agencies or facilities in an amount not to exceed  
31 15 percent of the expansion or increase of each agency's total  
32 contract amount. Under no circumstances shall reimbursement for  
33 startup costs result in an increase in the agency's total contract  
34 amount. These funds shall be available for all of the following:

35 (1) The employment and orientation of necessary staff.

36 (2) The setting up of the program and facility.

37 (3) The finalization of rental agreements and the making of  
38 necessary deposits.

39 (4) The purchase of a reasonable inventory of materials and  
40 supplies.

1 (5) The purchase of an initial premium for insurance.  
2 (b) Agencies shall submit claims for startup costs with their first  
3 quarterly reports.

4 (c) The Legislature recognizes that allowances for startup costs  
5 are necessary for the establishment and stability of new early  
6 learning and educational support programs.

7 SEC. 75. Section 8276.7 of the Education Code is amended to  
8 read:

9 8276.7. Unless specifically exempted by the Legislature, the  
10 administrative cost for all state-funded early learning and  
11 educational support programs and all federal programs  
12 administered by the state shall not exceed 15 percent of the funds  
13 provided for those programs. Eighty-five percent of these funds  
14 shall be used to provide direct services in accordance with rules  
15 and regulations, or contractual funding terms and conditions  
16 prescribed by the Superintendent.

17 SEC. 76. Section 8277 of the Education Code is amended to  
18 read:

19 8277. (a) The Superintendent shall establish regulations for  
20 the allocation of capital outlay funds provided pursuant to Sections  
21 8277.1 to 8277.4, inclusive, to benefit children most needing early  
22 learning and educational support programs. The first priority for  
23 all capital outlay shall be given to facilities located in geographic  
24 areas with no other available enrollment slots in existing subsidized  
25 and nonsubsidized ~~child care and development~~ facilities. This  
26 capital outlay funding shall be used solely for purposes of  
27 renovation and repair of existing buildings.

28 (b) The Superintendent shall establish qualifications for  
29 determining the eligibility of contracting agencies and ~~day~~ care  
30 homes to apply for capital outlay funds.

31 SEC. 77. Section 8277.8 of the Education Code is amended to  
32 read:

33 8277.8. (a) In the event that a school district elects to  
34 discontinue its contract for early learning and educational support  
35 services, the facilities owned by the school district and constructed  
36 through the provisions of the local tax override for early learning  
37 and educational support program purposes shall be made available  
38 to the local contractor whose bid is accepted for continuation of  
39 the services.

1 (b) The rent for the facilities shall not exceed the prevailing  
2 rental rate for such facilities.

3 SEC. 78. Section 8278.3 of the Education Code is amended to  
4 read:

5 8278.3. (a) (1) The Child Care Facilities Revolving Fund is  
6 hereby established in the State Treasury to provide funding for the  
7 renovation, repair, or improvement of an existing building to make  
8 the building suitable for licensure for early learning and educational  
9 support services and for the purchase of new relocatable ~~child care~~  
10 facilities for lease to school districts and contracting agencies that  
11 provide early learning and educational support services pursuant  
12 to this chapter. The Superintendent may transfer state funds  
13 appropriated for ~~child care~~ facilities into this fund for allocation  
14 to school districts and contracting agencies, as specified, for the  
15 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 services pursuant to the California School Age Families Education

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

4 SEC. 79. Section 8279.1 of the Education Code is amended to  
5 read:

6 8279.1. (a) The Legislature recognizes that early learning and  
7 educational support programs have made valuable contributions  
8 towards ensuring that public assistance recipients will be able to  
9 accept and maintain employment or employment-related training.  
10 Therefore, it is the intent of the Legislature that the Superintendent  
11 ensure that counties comply with the requirements of Section 8279.

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

21 SEC. 80. Section 8279.3 of the Education Code is amended to  
22 read:

23 8279.3. (a) The department shall disburse augmentations to  
24 the base allocation for the expansion of early learning and  
25 educational support programs to promote equal access to these  
26 services across the state.

27 (b) The Superintendent shall use the formula developed pursuant  
28 to subdivision (c) and the priorities identified by local planning  
29 councils, unless those priorities do not meet the requirements of  
30 state or federal law, as a guide in disbursing augmentations  
31 pursuant to subdivision (a).

32 (c) The Superintendent shall develop a formula for prioritizing  
33 the disbursement of augmentations pursuant to this section. The  
34 formula shall give priority to allocating funds to underserved areas.  
35 The Superintendent shall develop the formula by using the  
36 definition of “underserved area” in subdivision~~(ah)~~ (ai) of Section  
37 8208 and direct impact indicators of need for early learning and  
38 educational support services in the county or subcounty areas. For  
39 purposes of this section, “subcounty areas” include, but are not  
40 limited to, school districts, census tracts, or ZIP Code areas that

1 are deemed by the Superintendent to be most appropriate to the  
2 type of program receiving an augmentation. Direct impact  
3 indicators of need may include, but are not limited to, the teenage  
4 pregnancy rate, the unemployment rate, area household income,  
5 or the number or percentage of families receiving public assistance,  
6 eligible for Medi-Cal, or eligible for free or reduced-price school  
7 meals, and any unique characteristics of the population served by  
8 the type of program receiving an augmentation.

9 (d) To promote equal access to services, the Superintendent  
10 shall include in guidelines developed for use by local planning  
11 councils pursuant to subdivision (d) of Section 8499.5 guidance  
12 on identifying underserved areas and populations within counties.  
13 This guidance shall include reference to the direct impact indicators  
14 of need described in subdivision (c).

15 SEC. 81. Section 8279.4 of the Education Code is amended to  
16 read:

17 8279.4. The Legislature finds and declares the following:

18 (a) There is a serious shortage of quality ~~child day care~~ facilities  
19 throughout the state.

20 (b) It is in the interest of the state's children and families, and  
21 the state's economic growth, to encourage the expansion of existing  
22 ~~child day care~~ facilities by assisting communities and interested  
23 government and private entities to finance ~~child day care~~ facilities.

24 (c) In addition to regional resource centers described in  
25 Provision 7(d) of Item 6110-196-0001 of the Budget Act of 1999,  
26 which focus on developing care capacity in underserved areas of  
27 the state, there is a need to access capital for facilities on a  
28 systematic basis, especially to use limited public sector funds to  
29 leverage a greater private sector role in financing ~~child day care~~  
30 facilities. The Legislature finds and declares that a financial  
31 intermediary could fill this role and support the regional resource  
32 centers and other local entities that work with potential providers  
33 by functioning as a centralized repository of training, best practices,  
34 and expertise on facilities financing.

35 SEC. 82. Section 8279.5 of the Education Code is amended to  
36 read:

37 8279.5. (a) The Superintendent shall contract with a nonprofit  
38 organization to serve as a financial intermediary. The nonprofit  
39 organization shall have staff who have expertise in financing and  
40 capital expansion, are knowledgeable about the early learning and

1 educational support field, and have the ability to develop and  
2 implement a plan to increase the availability of financing to  
3 renovate, expand, and construct ~~child-day-care~~ facilities, both in  
4 centers and family ~~child~~ care homes.

5 (b) The financial intermediary selected by the Superintendent  
6 shall undertake activities designed to increase funds available from  
7 the private and public sectors for the financing of ~~child-day-care~~  
8 facilities. These activities shall include, but are not limited to, all  
9 of the following:

10 (1) Soliciting capital grants and program-related investments  
11 from foundations and corporations.

12 (2) Building partnerships with foundations and corporations.

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

15 (4) Coordinating private sources of capital with existing public  
16 sector sources of financing for ~~child-day-care~~ facilities, including,  
17 but not limited to, the Department of Housing and Community  
18 Development and the California Infrastructure and Economic  
19 Development Bank.

20 (5) Coordinating financing efforts with the technical assistance  
21 provided by the regional resource centers described in Provision  
22 7(d) of Item 6110-196-0001 of the Budget Act of 1999, and other  
23 local entities that work with potential providers.

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

26 SEC. 83. Section 8279.7 of the Education Code is amended to  
27 read:

28 8279.7. (a) The Legislature recognizes the importance of  
29 providing high-quality early learning and educational support  
30 services. It is, therefore, the intent of the Legislature to assist  
31 counties in improving the retention and professional growth of  
32 qualified instructional employees who work directly with children  
33 who receive state-subsidized early learning services.

34 (b) It is further the intent of the Legislature, in amending this  
35 section during the 2009–10 Regular Session, to address the unique  
36 challenges of the County of Los Angeles, in which an estimated  
37 60,000 low-income children receive subsidized care in  
38 nonstate-funded ~~child~~ care settings and an additional 50,000  
39 eligible children are waiting for subsidized services.



1 (c) (1) Except as provided in paragraph (2), the funds  
2 appropriated for the purposes of this section by paragraph (11) of  
3 Schedule (b) of Item 6110-196-0001 of Section 2.00 of the Budget  
4 Act of 2000 (Chapter 52 of the Statutes of 2000), and that are  
5 described in subdivision (i) of Provision 7 of that item, and any  
6 other funds appropriated for purposes of this section, shall be  
7 allocated to local planning councils based on the percentage of  
8 state-subsidized, early learning services funds received in that  
9 county, and shall be used to address the retention of qualified  
10 instructional employees in state-subsidized centers.

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

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

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

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

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

35 (e) Funds provided to a county for the purposes of this section  
36 shall be used in accordance with the plan approved pursuant to  
37 subdivision (d). A county with an approved plan may retain up to  
38 1 percent of the county's total allocation made pursuant to this  
39 section for reimbursement of administrative expenses associated  
40 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. 84. Section 8282 of the Education Code is amended to  
7 read:

8 8282. (a) The Legislature finds and declares that the state  
9 makes a substantial, annual investment in preschool, infant and  
10 toddler, and schoolage early learning ~~and educational support~~  
11 ~~programs~~ *services* for eligible families. It is in the best interests  
12 of children and their families, and the taxpayers of California, to  
13 have information about the development and learning abilities of  
14 children developed in these settings, health and other information  
15 transferred to, or otherwise available to, the pupil's elementary  
16 school.

17 (b) When a child in a state-funded preschool or infant and  
18 toddler program will be transferring to a local public school, the  
19 preschool or infant and toddler program shall provide the parent  
20 or guardian with information from the previous year deemed  
21 beneficial to the pupil and the public school teacher, including,  
22 but not limited to, development issues, social interaction abilities,  
23 health background, and diagnostic assessments, if any. The  
24 preschool or infant and toddler program may, with the permission  
25 of the parent or guardian, transfer this information to the pupil's  
26 elementary school.

27 (c) Any child who has participated in a state subsidized  
28 ~~California state~~ preschool program that maintains results-based  
29 standards, including the desired results accountability system, may  
30 have the performance information transferred to any subsequent  
31 or concurrent public school setting. Any transferred information  
32 shall be in summary form and only accomplished with the  
33 permission of the parent or guardian.

34 SEC. 85. Section 8320 of the Education Code is amended to  
35 read:

36 8320. The governing board of any school district or a county  
37 superintendent of schools with the approval of the county board  
38 of education is authorized to establish and maintain early learning  
39 and educational support programs upon the approval of, and subject  
40 to the regulations of the Superintendent.

1 SEC. 86. Section 8321 of the Education Code is amended to  
2 read:

3 8321. (a) The county superintendent of schools in each county,  
4 with the approval of the county board of education and the  
5 Superintendent, shall have the authority to establish and maintain  
6 early learning services in the same manner and to the same extent  
7 as governing boards of school or community college districts,  
8 except that nothing in this section shall be construed as vesting in  
9 the county superintendents of schools any authority to alone effect  
10 the levy and collection of any county, school, or other local taxes  
11 for the support of any early learning services.

12 (b) The establishment and maintenance of any early learning  
13 services by the county superintendent of schools shall be  
14 undertaken, subject to the prior approval of both the county board  
15 of education and the Superintendent, upon the application of one  
16 or more school districts under his or her jurisdiction.

17 SEC. 87. Section 8324 of the Education Code is amended to  
18 read:

19 8324. The employees of school districts or community college  
20 districts, or county superintendents of schools in early learning  
21 services under this division shall have the same rights and  
22 privileges as are granted to employees of the same agencies in  
23 children's centers.

24 SEC. 88. Section 8327 of the Education Code is amended to  
25 read:

26 8327. Notwithstanding any other provision of this chapter, the  
27 governing board of a school district or community college district,  
28 county superintendent of schools, or other unit of local general  
29 purpose government may enter into agreements with any city, city  
30 and county, or other public agency, or with a private foundation,  
31 nonprofit corporation, or proprietary agency for the furnishing to,  
32 or use by, the governing board, county superintendent of schools,  
33 or other unit of local general purpose government in carrying out  
34 the provisions of this chapter, of property, facilities, personnel,  
35 supplies, equipment, and other necessary items and such city,  
36 county, city and county, other public agency, or private foundation  
37 or nonprofit corporation, is authorized to enter into the agreements.

38 SEC. 89. Section 8328 of the Education Code is amended to  
39 read:

1 8328. (a) The governing board of any school district or the  
 2 county superintendent of schools shall establish in the county  
 3 treasury a fund to be known as the “child development fund” into  
 4 which shall be paid all funds received by the district or the county  
 5 for, or from the operation of, early learning and educational support  
 6 services under this chapter. The costs incurred in the maintenance  
 7 and operation of services shall be paid from the fund, with  
 8 accounting to reflect specific funding sources.

9 (b) Funds of a district derived from the receipt of district taxes  
 10 or derived from moneys apportioned to the district for the support  
 11 of schools of the district, in addition to state moneys appropriated  
 12 for the support of services, fees, and federal funds, may be  
 13 expended for, or in connection with these services.

14 SEC. 90. Section 8329 of the Education Code is amended to  
 15 read:

16 8329. The governing board of any school district maintaining  
 17 an early learning and educational support program may include in  
 18 its budget the amount necessary to initiate, operate, and maintain  
 19 a program pursuant to this chapter and the board of supervisors  
 20 shall levy a school district tax necessary to raise that amount. The  
 21 tax shall be in addition to any other school district tax authorized  
 22 by law to be levied.

23 SEC. 91. The heading of Article 15.2 (commencing with  
 24 Section 8335) of Chapter 2 of Part 6 of Division 1 of Title 1 of the  
 25 Education Code is amended to read:

26  
 27 Article 15.2. Subsidy Plan for the City and County of San  
 28 Francisco

29  
 30 ~~SEC. 92. Section 8335.1 of the Education Code is amended to~~  
 31 ~~read:~~

32 ~~8335.1. Before implementing the local subsidy plan, the City~~  
 33 ~~and County of San Francisco, in consultation with the department,~~  
 34 ~~shall develop an individualized county subsidy plan for the city~~  
 35 ~~and county that includes the following four elements:~~

36 ~~(a) An assessment to identify the city and county’s goal for its~~  
 37 ~~subsidized care system. The assessment shall examine whether~~  
 38 ~~the current structure of subsidized care funding adequately supports~~  
 39 ~~working families in the city and county and whether the city and~~  
 40 ~~county’s goals coincide with the state’s requirements for funding,~~

1 eligibility, priority, and reimbursement. The assessment shall also  
2 identify barriers in the state's subsidy system that inhibit the city  
3 and county from meeting its goals. In conducting the assessment,  
4 the city and county shall consider all of the following:

5 (1) The general demographics of families who are in need of  
6 care, including employment, income, language, ethnic, and family  
7 composition.

8 (2) The current supply of available subsidized care.

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

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

13 (5) Income eligibility levels for subsidized care.

14 (6) Family fees.

15 (7) The cost of providing care.

16 (8) The regional market rates, as established by the department,  
17 for different types of care.

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

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

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

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

26 (A) Prioritize lowest income families first.

27 (B) Follow the family fee schedule established pursuant to  
28 subdivision (f) of Section 8263 for those families that are income  
29 eligible, as defined by Section 8263.1.

30 (C) Meet local goals that are consistent with the state's goals.

31 (D) Identify existing policies that would be affected by the city  
32 and county's subsidy plan.

33 (E) (i) Authorize any agency that provides early learning and  
34 educational support services in the city and county through a  
35 contract with the department to apply to the department to amend  
36 existing contracts in order to benefit from the local policy once it  
37 is adopted.

38 (ii) The department shall approve an application to amend an  
39 existing contract if the subsidy plan is approved pursuant to

1 ~~subdivision (b) of Section 8335.3, or modified pursuant to~~  
2 ~~subdivision (c) of Section 8335.3.~~

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

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

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

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

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

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

31 ~~(C) Reimbursement rates.~~

32 ~~(D) Methods of maximizing the efficient use of subsidy funds,~~  
33 ~~including, but not limited to, multiyear contracting with the~~  
34 ~~department for early learning services, and interagency agreements~~  
35 ~~that allow for flexible and temporary transfer of funds among~~  
36 ~~agencies.~~

37 ~~(e) Recognition that all funding sources utilized by direct service~~  
38 ~~contractors that provide early learning and educational support~~  
39 ~~services in the city and county are eligible to be included in the~~  
40 ~~subsidy plan of the city and county.~~

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

8 SEC. 93. Section 8335.5 of the Education Code is amended to  
9 read:

10 ~~8335.5. The City and County of San Francisco may implement~~  
11 ~~an individualized subsidy plan until July 1, 2015, at which date~~  
12 ~~the city and county shall terminate the plan. Between July 1, 2015,~~  
13 ~~and July 1, 2017, the city and county shall phase out the~~  
14 ~~individualized county subsidy plan and, as of July 1, 2017, shall~~  
15 ~~implement the state's requirements for subsidies. A child enrolling~~  
16 ~~for the first time for subsidized care in the city and county after~~  
17 ~~July 1, 2015, shall not be enrolled in the pilot program established~~  
18 ~~pursuant to this article and is subject to existing state laws and~~  
19 ~~regulations regarding eligibility and priority.~~

20 SEC. 94. The heading of Article 15.3 (commencing with  
21 Section 8340) of Chapter 2 of Part 6 of Division 1 of Title 1 of the  
22 Education Code is amended to read:

23  
24 ~~Article 15.3. Individualized County Subsidy Plan~~  
25

26 SEC. 95. Section 8341 of the Education Code is amended to  
27 read:

28 ~~8341. Before implementing the local subsidy plan, the County~~  
29 ~~of San Mateo, in consultation with the department, shall develop~~  
30 ~~an individualized county subsidy plan that includes the following~~  
31 ~~four elements:~~

32 ~~(a) An assessment to identify the county's goal for its subsidized~~  
33 ~~care system. The assessment shall examine whether the current~~  
34 ~~structure of subsidized care funding adequately supports working~~  
35 ~~families in the county and whether the county's goals coincide~~  
36 ~~with the state's requirements for funding, eligibility, priority, and~~  
37 ~~reimbursement. The assessment shall also identify barriers in the~~  
38 ~~state's subsidy system that inhibit the county from meeting its~~  
39 ~~goals. In conducting the assessment, the county shall consider all~~  
40 ~~of the following:~~

- 1 ~~(1) The general demographics of families who are in need of~~
- 2 ~~care, including employment, income, language, ethnic, and family~~
- 3 ~~composition.~~
- 4 ~~(2) The current supply of available subsidized care.~~
- 5 ~~(3) The level of need for various types of subsidized services~~
- 6 ~~including, but not limited to, infant care, after-hours care, and care~~
- 7 ~~for children with exceptional needs.~~
- 8 ~~(4) The county's self-sufficiency income level.~~
- 9 ~~(5) Income eligibility levels for subsidized care.~~
- 10 ~~(6) Family fees.~~
- 11 ~~(7) The cost of providing care.~~
- 12 ~~(8) The regional market rates, as established by the department,~~
- 13 ~~for different types of care.~~
- 14 ~~(9) The standard reimbursement rate or state per diem for centers~~
- 15 ~~operating under contracts with the department.~~
- 16 ~~(10) Trends in the county's unemployment rate and housing~~
- 17 ~~affordability index.~~
- 18 ~~(b) Development of a local policy to eliminate state-imposed~~
- 19 ~~regulatory barriers to the county's achievement of its desired~~
- 20 ~~outcomes for subsidized care.~~
- 21 ~~(1) The local policy shall do all of the following:~~
- 22 ~~(A) Prioritize lowest income families first.~~
- 23 ~~(B) Follow the family fee schedule established pursuant to~~
- 24 ~~subdivision (f) of Section 8263 for those families that are income~~
- 25 ~~eligible, as defined by Section 8263.1.~~
- 26 ~~(C) Meet local goals that are consistent with the state's goals.~~
- 27 ~~(D) Identify existing policies that would be affected by the~~
- 28 ~~county's subsidy plan.~~
- 29 ~~(E) (i) Authorize any agency that provides early learning and~~
- 30 ~~educational support services in San Mateo County through a~~
- 31 ~~contract with the department to apply to the department to amend~~
- 32 ~~existing contracts in order to benefit from the local policy once it~~
- 33 ~~is adopted.~~
- 34 ~~(ii) The department shall approve an application to amend an~~
- 35 ~~existing contract if the subsidy plan is approved pursuant to~~
- 36 ~~subdivision (b) of Section 8342, or modified pursuant to~~
- 37 ~~subdivision (c) of Section 8342.~~
- 38 ~~(iii) The contract of a department contractor who does not elect~~
- 39 ~~to request an amendment to its contract remains operative and~~
- 40 ~~enforceable.~~



1 ~~(2) (A) The County of San Mateo shall, by the end of the first~~  
2 ~~fiscal year of operation under the approved subsidy plan,~~  
3 ~~demonstrate an increase in the aggregate child days of enrollment~~  
4 ~~in the county as compared to the enrollment in the final quarter of~~  
5 ~~the 2002–03 fiscal year.~~

6 ~~(B) The amount of the increase shall be at least equal to the~~  
7 ~~aggregate child days of enrollment in the final quarter of the~~  
8 ~~2002–03 fiscal year for all contracts amended as provided in~~  
9 ~~subparagraph (E) of paragraph (1), under which the contractor~~  
10 ~~receives an increase in its reimbursement rate, multiplied by 2~~  
11 ~~percent.~~

12 ~~(3) The local policy may supersede state law concerning subsidy~~  
13 ~~programs with regard only to the following factors:~~

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

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

26 ~~(C) Reimbursement rates.~~

27 ~~(D) Methods of maximizing the efficient use of subsidy funds,~~  
28 ~~including, but not limited to, multiyear contracting with the~~  
29 ~~department for early learning services, and interagency agreements~~  
30 ~~that allow for flexible and temporary transfer of funds among~~  
31 ~~agencies.~~

32 ~~(e) Recognition that all funding sources utilized by direct service~~  
33 ~~contractors that provide early learning and educational support~~  
34 ~~services in San Mateo County are eligible to be included in the~~  
35 ~~subsidy plan of the county.~~

36 ~~(d) Establishment of measurable outcomes to evaluate the~~  
37 ~~success of the plan to achieve the county’s goals and to overcome~~  
38 ~~any barriers identified in the state’s subsidy system. The State~~  
39 ~~Department of Social Services shall have an opportunity to review~~  
40 ~~and comment on the proposed measurable outcomes before they~~

1 are submitted to the local planning council for approval pursuant  
2 to Section 8342.

3 SEC. 96. Section 8341.5 of the Education Code is amended to  
4 read:

5 8341.5. To ensure that the annual and final reports required  
6 pursuant to Section 8343 provide useful comparative information,  
7 the Legislative Analyst and the Senate Office of Research shall  
8 review the evaluation design, the baseline data, and the data  
9 collection proposed in the subsidy plan of the county before the  
10 plan is submitted to the local planning council for approval.

11 SEC. 97. Section 8342 of the Education Code is amended to  
12 read:

13 8342. (a) The plan shall be submitted to the local planning  
14 council for approval. Upon approval of the plan by the local  
15 planning council, the county board of supervisors shall hold at  
16 least one public hearing on the plan. Following the hearing, if the  
17 county board of supervisors votes in favor of the plan, the plan  
18 shall be submitted to the Child Development Division of the  
19 department for review.

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

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

25 (d) The Child Development Division may disapprove only those  
26 portions of the plan or modifications to the plan that are not in  
27 conformance with this article or that are in conflict with federal  
28 law.

29 SEC. 98. Section 8343 of the Education Code is amended to  
30 read:

31 8343. (a) Upon approval of the plan by the Child Development  
32 Division, the County of San Mateo shall annually prepare and  
33 submit to the Legislature, the State Department of Social Services,  
34 and the department a report that summarizes the success of the  
35 pilot project and the county's ability to maximize the use of funds  
36 and to improve and stabilize 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 State Department  
39 of Social Services, and the department summarizing the impact of  
40 the plan on the care needs of working families.

1 ~~SEC. 99. Section 8344 of the Education Code is amended to read:~~  
2 ~~8344. The County of San Mateo may implement its~~  
3 ~~individualized county subsidy plan until January 1, 2015, at which~~  
4 ~~date the County of San Mateo shall terminate the plan. Between~~  
5 ~~January 1, 2015, and January 1, 2017, the County of San Mateo~~  
6 ~~shall phase out the individualized county subsidy plan and, as of~~  
7 ~~January 1, 2017, shall implement the state's requirements for~~  
8 ~~subsidies. A child enrolling for the first time for subsidized care~~  
9 ~~in San Mateo County after January 1, 2015, shall not be enrolled~~  
10 ~~in the pilot program established pursuant to this article and is~~  
11 ~~subject to existing state laws and regulations regarding care~~  
12 ~~eligibility and priority.~~

13 *SEC. 92. Section 8335.1 of the Education Code is amended to*  
14 *read:*

15 8335.1. Before implementing the local subsidy plan, the City  
16 and County of San Francisco, in consultation with the department,  
17 shall develop an individualized county ~~child~~ care subsidy plan for  
18 the city and county that includes the following four elements:

19 (a) An assessment to identify the city and county's goal for its  
20 subsidized ~~child~~ care system. The assessment shall examine  
21 whether the current structure of subsidized ~~child~~ care funding  
22 adequately supports working families in the city and county and  
23 whether the city and county's ~~child~~ care goals coincide with the  
24 state's requirements for funding, eligibility, priority, and  
25 reimbursement. The assessment shall also identify barriers in the  
26 state's ~~child~~ care subsidy system that inhibit the city and county  
27 from meeting its ~~child~~ care goals. In conducting the assessment,  
28 the city and county shall consider all of the following:

29 (1) The general demographics of families who are in need of  
30 ~~child~~ care, including employment, income, language, ethnic, and  
31 family composition.

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

33 (3) The level of need for various types of subsidized ~~child~~ care  
34 services including, but not limited to, infant *and toddler* care,  
35 after-hours care, and care for children with exceptional needs.

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

37 (5) Income eligibility levels for subsidized ~~child~~ care.

38 (6) Family fees.

39 (7) The cost of providing ~~child~~ care.

- 1 (8) The regional market rates, as established by the department,  
2 for different types of ~~child~~ care.
- 3 (9) The standard reimbursement rate or state per diem for centers  
4 operating under contracts with the department.
- 5 (10) Trends in the county's unemployment rate and housing  
6 affordability index.
- 7 (b) Development of a local policy to eliminate state-imposed  
8 regulatory barriers to the city and county's achievement of its  
9 desired outcomes for subsidized ~~child~~ care.
- 10 (1) The local policy shall do all of the following:
- 11 (A) Prioritize lowest income families first.
- 12 (B) Follow the family fee schedule established pursuant to  
13 subdivision (f) of Section 8263 for those families that are income  
14 eligible, as defined by Section 8263.1.
- 15 (C) Meet local goals that are consistent with the state's ~~child~~  
16 care goals.
- 17 (D) Identify existing policies that would be affected by the city  
18 and county's ~~child~~ care subsidy plan.
- 19 (E) (i) Authorize any agency that provides ~~child care and~~  
20 ~~development~~ *early learning and educational support* services in  
21 the city and county through a contract with the department to apply  
22 to the department to amend existing contracts in order to benefit  
23 from the local policy once it is adopted.
- 24 (ii) The department shall approve an application to amend an  
25 existing contract if the ~~child~~ care subsidy plan is approved pursuant  
26 to subdivision (b) of Section 8335.3, or modified pursuant to  
27 subdivision (c) of Section 8335.3.
- 28 (iii) The contract of a department contractor who does not elect  
29 to request an amendment to its contract remains operative and  
30 enforceable.
- 31 (2) (A) The city and county shall, by the end of the first fiscal  
32 year of operation under the approved ~~child~~ care subsidy plan,  
33 demonstrate an increase in the aggregate child days of enrollment  
34 in the county as compared to the enrollment in the final quarter of  
35 the 2004–05 fiscal year.
- 36 (B) The amount of the increase shall be at least equal to the  
37 aggregate child days of enrollment in the final quarter of the  
38 2004–05 fiscal year for all contracts amended as provided in  
39 subparagraph (E) of paragraph (1), under which the contractor

1 receives an increase in its reimbursement rate, ~~times multiplied by~~  
2 2 percent.

3 (C) The amount of the increase shall also be proportional to the  
4 total contract maximum reimbursable amount to reflect the changes  
5 in the budget allocation for each fiscal year of the pilot project.

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

8 (A) Eligibility criteria including, but not limited to, age, family  
9 size, time limits, income level, inclusion of former and current  
10 CalWORKs participants, and special needs considerations, except  
11 that the local policy may not deny or reduce eligibility of a family  
12 that qualifies for ~~child~~ care pursuant to Section 8353. Under the  
13 local policy, a family that qualifies for ~~child~~ care pursuant to  
14 Section 8354 shall be treated for purposes of eligibility and fees  
15 in the same manner as a family that qualifies for subsidized ~~child~~  
16 care on another basis pursuant to the local policy.

17 (B) Fees including, but not limited to, family fees, sliding scale  
18 fees, and copayments for those families that are not income eligible,  
19 as defined by Section 8263.1.

20 (C) Reimbursement rates.

21 (D) Methods of maximizing the efficient use of subsidy funds,  
22 including, but not limited to, multiyear contracting with the  
23 department for ~~center-based child care~~, *early learning services*,  
24 and interagency agreements that allow for flexible and temporary  
25 transfer of funds among agencies.

26 (c) Recognition that all funding sources utilized by direct service  
27 contractors that provide ~~child care and development~~ *early learning*  
28 *and educational support* services in the city and county are eligible  
29 to be included in the ~~child~~ care subsidy plan of the city and county.

30 (d) Establishment of measurable outcomes to evaluate the  
31 success of the plan to achieve the city and county's ~~child~~ care goals  
32 and to overcome any barriers identified in the state's ~~child~~ care  
33 subsidy system. The State Department of Social Services shall  
34 have an opportunity to review and comment on the proposed  
35 measurable outcomes before they are submitted to the local ~~child~~  
36 ~~care~~ planning council for approval pursuant to Section 8335.3.

37 *SEC. 93. Section 8335.5 of the Education Code is amended to*  
38 *read:*

39 8335.5. The City and County of San Francisco may implement  
40 an individualized county ~~child~~ care subsidy plan as a pilot project

1 pursuant to this article until July 1, 2016, at which date the city  
 2 and county shall terminate the plan. From July 1, 2016, to July 1,  
 3 2018, inclusive, the city and county shall phase out the  
 4 individualized county-~~child~~ care subsidy plan and, beginning July  
 5 1, 2018, shall implement the state’s requirements for ~~child~~ care  
 6 subsidies. A child enrolling for the first time for subsidized-~~child~~  
 7 care in the city and county on and after July 1, 2016, shall not be  
 8 enrolled in the pilot project established pursuant to this article, and  
 9 is subject to existing state laws and regulations regarding ~~child~~  
 10 care eligibility and priority.

11 *SEC. 94. The heading of Article 15.4 (commencing with Section*  
 12 *8347) of Chapter 2 of Part 6 of Division 1 of Title 1 of the*  
 13 *Education Code is amended to read:*

14  
 15 Article 15.4. Individualized County-~~Child~~ Care Subsidy Plan

16  
 17 *SEC. 95. Section 8347 of the Education Code is amended to*  
 18 *read:*

19 8347. On and after July 1, 2014, the individualized county  
 20 ~~child~~ care subsidy plan for the County of San Mateo that was  
 21 developed as a pilot project pursuant to Article 15.3 (commencing  
 22 with Section 8340), as that article read on January 1, 2013, may  
 23 continue in existence and may be implemented in accordance with  
 24 the provisions of this article. The plan shall ensure that ~~child~~ care  
 25 subsidies received by the County of San Mateo are used to address  
 26 local needs, conditions, and priorities of working families in those  
 27 communities.

28 *SEC. 96. Section 8347.2 of the Education Code is amended to*  
 29 *read:*

30 8347.2. For purposes of this article, “plan” means an  
 31 individualized county-~~child~~ care subsidy plan developed and  
 32 approved under the pilot project described in Section 8347, which  
 33 includes all of the following:

- 34 (a) An assessment to identify the county’s goal for its subsidized  
 35 ~~child~~ care system. The assessment shall examine whether the  
 36 current structure of subsidized-~~child~~ care funding adequately  
 37 supports working families in the county and whether the county’s  
 38 ~~child~~ care goals coincide with the state’s requirements for funding,  
 39 eligibility, priority, and reimbursement. The assessment shall also  
 40 identify barriers in the state’s ~~child~~ care subsidy system that inhibit

1 the county from meeting its ~~child~~ care goals. In conducting the  
2 assessment, the county shall consider all of the following:

3 (1) The general demographics of families who are in need of  
4 ~~child~~ care, including employment, income, language, ethnic, and  
5 family composition.

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

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

10 (4) The county's self-sufficiency income level.

11 (5) Income eligibility levels for subsidized ~~child~~ care.

12 (6) Family fees.

13 (7) The cost of providing ~~child~~ care.

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

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

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

20 (b) (1) Development of a local policy to eliminate state-imposed  
21 regulatory barriers to the county's achievement of its desired  
22 outcomes for subsidized ~~child~~ care.

23 (2) The local policy shall do all of the following:

24 (A) Prioritize lowest income families first.

25 (B) Follow the family fee schedule established pursuant to  
26 subdivision (g) of Section 8263 for those families that are income  
27 eligible, as defined by Section 8263.1.

28 (C) Meet local goals that are consistent with the state's ~~child~~  
29 care goals.

30 (D) Identify existing policies that would be affected by the  
31 county's plan.

32 (E) (i) Authorize any agency that provides ~~child care and~~  
33 ~~development~~ *early learning and educational support* services in  
34 the county through a contract with the department to apply to the  
35 department to amend existing contracts in order to benefit from  
36 the local policy.

37 (ii) The department shall approve an application to amend an  
38 existing contract if the plan is modified pursuant to Section 8347.3.

1 (iii) The contract of a department contractor who does not elect  
 2 to request an amendment to its contract remains operative and  
 3 enforceable.

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

6 (A) Eligibility criteria, including, but not limited to, age, family  
 7 size, time limits, income level, inclusion of former and current  
 8 CalWORKs participants, and special needs considerations, except  
 9 that the local policy may not deny or reduce eligibility of a family  
 10 that qualifies for ~~child~~ care pursuant to Section 8353. Under the  
 11 local policy, a family that qualifies for ~~child~~ care pursuant to  
 12 Section 8354 shall be treated for purposes of eligibility and fees  
 13 in the same manner as a family that qualifies for subsidized ~~child~~  
 14 care on another basis pursuant to the local policy.

15 (B) Fees, including, but not limited to, family fees, sliding scale  
 16 fees, and copayments for those families that are not income eligible,  
 17 as defined by Section 8263.1.

18 (C) Reimbursement rates.

19 (D) Methods of maximizing the efficient use of subsidy funds,  
 20 including, but not limited to, multiyear contracting with the  
 21 department for ~~center-based child care~~, *early learning services*,  
 22 and interagency agreements that allow for flexible and temporary  
 23 transfer of funds among agencies.

24 (c) Recognition that all funding sources utilized by direct service  
 25 contractors that provide ~~child care and development~~ *early learning*  
 26 *and educational support* services in the county are eligible to be  
 27 included in the county's plan.

28 (d) Establishment of measurable outcomes to evaluate the  
 29 success of the plan to achieve the county's ~~child~~ care goals, and  
 30 to overcome any barriers identified in the state's ~~child~~ care subsidy  
 31 system.

32 *SEC. 97. Section 8347.3 of the Education Code is amended to*  
 33 *read:*

34 8347.3. (a) Within 30 days of receiving any modification to  
 35 the plan, the ~~Child Development~~ *Early Education and Support*  
 36 Division shall review and either approve or disapprove that  
 37 modification to the plan.

38 (b) The ~~Child Development~~ *Early Education and Support*  
 39 Division may disapprove only those portions of modifications to



1 the plan that are not in conformance with this article or that are in  
2 conflict with federal law.

3 *SEC. 98. Section 8347.4 of the Education Code is amended to*  
4 *read:*

5 8347.4. (a) The county shall annually prepare and submit to  
6 the Legislature, the State Department of Social Services, and the  
7 department a report that summarizes the success of the county's  
8 plan, and the county's ability to maximize the use of funds and to  
9 improve and stabilize ~~child~~ care in the county.

10 (b) (1) The requirement for submitting a report imposed under  
11 subdivision (a) is inoperative on January 1, 2018, pursuant to  
12 Section 10231.5 of the Government Code.

13 (2) A report to be submitted pursuant to subdivision (a) shall  
14 be submitted in compliance with Section 9795 of the Government  
15 Code.

16 ~~SEC. 100.~~

17 *SEC. 99.* The heading of Article 15.5 (commencing with  
18 Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the  
19 Education Code is amended to read:

20

21 Article 15.5. Recipients of the CalWORKs Program

22

23 ~~SEC. 101.~~

24 *SEC. 100.* Section 8350 of the Education Code is amended to  
25 read:

26 8350. (a) It is the intent of the Legislature in enacting this  
27 article to ensure that recipients of aid under Chapter 2 (commencing  
28 with Section 11200) of Part 3 of Division 9 of the Welfare and  
29 Institutions Code, or any successor program, and former recipients  
30 who have left aid for employment, are connected as soon as  
31 possible to local resources, make stable arrangements for services,  
32 and continue to receive subsidized ~~services~~ care after they no  
33 longer receive aid as long as they require those services and meet  
34 the eligibility requirements set forth in Sections 8263 and 8263.1.

35 (b) This article establishes three stages of ~~child~~ care services  
36 through which a recipient of aid under Chapter 2 (commencing  
37 with Section 11200) of Part 3 of Division 9 of the Welfare and  
38 Institutions Code, or any successor program, will pass. Further, as  
39 families' needs are met by county welfare departments and later  
40 by other local early learning and educational support contractors,

1 it is the intent of the Legislature that families experience no break  
2 in their services due to a transition between the three stages of  
3 child care services.

4 ~~SEC. 102.~~

5 *SEC. 101.* Section 8352 of the Education Code is amended to  
6 read:

7 8352. (a) As soon as appropriate, a county welfare department  
8 shall refer families needing services to the local resource and  
9 referral program funded pursuant to Article 2 (commencing with  
10 Section 8210). Resource and referral program staff shall colocate  
11 with a county welfare department’s case management office for  
12 aid under Chapter 2 (commencing with Section 11200) of Part 3  
13 of Division 9 of the Welfare and Institutions Code, or any successor  
14 program, or arrange other means of swift communication with  
15 parents and case managers of this aid. The local resource and  
16 referral program shall assist families to establish stable  
17 arrangements as soon as possible. These arrangements may include  
18 licensed and license-exempt care.

19 (b) Information shall be provided to parents in the county of  
20 service at the time the family is determined eligible for services,  
21 and at recertification, by one of the following:

- 22 (1) An alternative payment program.
- 23 (2) A resource and referral program.
- 24 (3) A partnership between the alternative payment program and  
25 the resource and referral program.

26 (c) The information provided by the program or partnership  
27 shall be to assist parents in making informed choices about  
28 available types of care that would both offer a safe, caring, and  
29 age-appropriate early learning and educational support environment  
30 for children, as well as support the parents’ work activities,  
31 including, but not limited to, information about high-quality early  
32 learning and educational support options and resources specified  
33 in this subdivision. The program or partnership may utilize  
34 resources from a list posted on the department’s Internet Web site  
35 pursuant to subdivision (c) of Section 8206 if this list is available.  
36 If the department does not create a list of resources pursuant to  
37 subdivision (c) of Section 8206, the program or partnership may  
38 develop local resources. These resources shall include, but are not  
39 limited to, the following:

1 (1) Information regarding how to select services that meet the  
2 needs of the parent and child.

3 (2) Information on licensing requirements and procedures for  
4 ~~child-care~~ centers and family ~~child~~ care homes.

5 (3) Trustline requirements for homes and providers exempt from  
6 licensure.

7 (4) A range of possible early learning and educational support  
8 options from which a parent may choose.

9 (5) Information on available care subsidies and eligibility  
10 requirements.

11 (6) Quality indicators, including provider or educator training,  
12 accreditation, staff stability, group size, ratio of children to staff,  
13 environments that support the healthy development of children,  
14 parent involvement, and communication between the parent and  
15 provider.

16 (7) Information on quality rating and improvement systems,  
17 where available.

18 (d) The program or partnership shall also provide parenting  
19 information to parents.

20 (e) A program operating pursuant to this article shall, within  
21 two business days of being notified of a revocation or a temporary  
22 suspension order for a licensed ~~child-day-care~~ facility, do both of  
23 the following:

24 (1) Terminate payment to the facility.

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

27 (f) A program operating pursuant to this article shall, upon being  
28 notified that a licensed ~~child-care~~ facility has been placed on  
29 probation, provide written notice to each parent utilizing the facility  
30 that the facility has been placed on probation and that the parent  
31 has the option of selecting a different provider or remaining with  
32 the facility without risk of subsidy payments to the provider being  
33 terminated. The Legislature urges each agency operating pursuant  
34 to this section to provide the written notice required by this  
35 subdivision in the primary language of the parent, to the extent  
36 feasible.

37 ~~SEC. 103.~~

38 *SEC. 102.* Section 8353 of the Education Code is amended to  
39 read:

1 8353. (a) The second stage of ~~child~~ care begins when the  
2 county determines that the recipient's work or approved work  
3 activity is stable or when a recipient is transitioning off of aid and  
4 care is available through a local stage two program. Second stage  
5 ~~child~~ care may be provided to a family who elects to receive a  
6 lump-sum diversion payment or diversion services under Section  
7 11266.5 of the Welfare and Institutions Code when a funded space  
8 is not immediately available for the family in third stage. The local  
9 stage two agency shall assist in moving families to stage three as  
10 quickly as feasible. Former CalWORKs recipients are eligible to  
11 receive services in stage one and stage two for up to a total of no  
12 more than 24 months after they leave cash aid, or until they are  
13 otherwise ineligible within that 24-month period. Family size and  
14 income for purposes of determining eligibility and calculating the  
15 family fee shall be determined pursuant to Sections 8263 and  
16 8263.1. A family leaving cash aid under the CalWORKs program  
17 shall receive up to two years of care, if otherwise eligible, as  
18 needed to continue the family's employment. The provision of the  
19 two-year time limit is not intended to limit eligibility for care under  
20 Section 8354.

21 (b) The second stage shall be administered by agencies  
22 contracting with the department. These contractors may be either  
23 agencies that have an alternative payment contract pursuant to  
24 Section 8220.1 or county welfare departments that choose to  
25 administer this stage in order to continue to provide services for  
26 recipients or former recipients of aid. If the county chooses to  
27 contract with the department to provide alternative payment  
28 services, this contract shall not displace, or result in the reduction  
29 of an existing contract of, a current alternative payment program.

30 ~~SEC. 104.~~

31 *SEC. 103.* Section 8354 of the Education Code is amended to  
32 read:

33 8354. (a) The third stage of ~~child~~ care begins when a funded  
34 space is available. CalWORKs recipients are eligible for the third  
35 stage of ~~child~~ care. Persons who received a lump-sum diversion  
36 payment or diversion services and former CalWORKs participants  
37 are eligible if they have an income that does not exceed 70 percent  
38 of the state median income pursuant to Section 8263.1. The third  
39 stage shall be administered by programs contracting with the

1 department. Parents' eligibility for services will be governed by  
2 Section 8263 and regulations adopted by the department.

3 (b) In order to move welfare recipients and former recipients  
4 from their relationship with county welfare departments to  
5 relationships with institutions providing services to working  
6 families, it is the intent of the Legislature that families that are  
7 former recipients of aid, or are transitioning off aid, receive their  
8 assistance in the same fashion as other low-income working  
9 families. Therefore, it is the intent of the Legislature that families  
10 no longer rely on county welfare departments to obtain subsidies  
11 beyond the time they are receiving other services from the welfare  
12 department.

13 (c) A county welfare department shall not administer the third  
14 stage of ~~child~~ care for CalWORKs recipients except to the extent  
15 to which it delivered those services to families receiving, or within  
16 one year of having received, Aid to Families with Dependent  
17 Children before the enactment of this section.

18 (d) This article does not preclude county welfare departments  
19 from operating an alternative payment program under contract  
20 with the department to serve families referred by child protective  
21 services.

22 ~~SEC. 105.~~

23 *SEC. 104.* Section 8355 of the Education Code is amended to  
24 read:

25 8355. ~~Child care~~ *Care* during the third stage may be funded  
26 with moneys dedicated to current and former recipients of aid  
27 under Chapter 2 (commencing with Section 11200) of Part 3 of  
28 Division 9 of the Welfare and Institutions Code, or any successor  
29 program, including the federal funds appropriated to alternative  
30 payment program contractors in the 1996–97 fiscal year using the  
31 Budget Act's Section 28 process as described in subdivision (b).  
32 Nothing shall prevent services provided under stage three from  
33 being funded with moneys from other federal or state sources.  
34 Nothing in this article shall preclude current and former recipients  
35 of aid under Chapter 2 (commencing with Section 11200) of Part  
36 3 of Division 9 of the Welfare and Institutions Code, or any  
37 successor program, from receiving services pursuant to other  
38 provisions of this chapter.

1     ~~SEC. 106.~~

2     ~~SEC. 105.~~ Section 8356 of the Education Code is amended to  
3 read:

4     8356. It is the intent of the Legislature that the department  
5 work with Head Start and California state preschool programs to  
6 generate extended-day and evening care for recipients of aid under  
7 Chapter 2 (commencing with Section 11200) of Part 3 of Division  
8 9 of the Welfare and Institutions Code, or any successor program,  
9 through recruiting and training parents to be licensed and  
10 license-exempt care providers and shall facilitate connections  
11 between Head Start and California state preschool program  
12 contractors and *child care* certificate administrators, including  
13 counties and other alternative payment programs, so that funds  
14 available for Sections 8351, 8353, and 8354 cover the cost of this  
15 care.

16     ~~SEC. 107.~~

17     ~~SEC. 106.~~ Section 8357 of the Education Code is amended to  
18 read:

19     8357. (a) The cost of *care* services provided under this article  
20 shall be governed by regional market rates. Recipients of *care*  
21 services provided pursuant to this article shall be allowed to choose  
22 the *care* services of licensed providers or providers who are, by  
23 law, not 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 *care* services if care  
37 is provided by parents, legal guardians, or members of the  
38 assistance unit.

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

4 (f) For purposes of this section, “reimbursement” means a direct  
5 payment to the provider of *care* 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) if there are,  
18 in the region, no more than two providers of the type needed by  
19 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 the  
22 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 shall  
29 reimbursements to a provider based on the daily rate over one  
30 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 (c) of Section 8222.

35 ~~SEC. 108.~~

36 *SEC. 107.* Section 8358 of the Education Code is amended to  
37 read:

38 8358. (a) The department and the State Department of Social  
39 Services shall design a form for license-exempt providers to use  
40 for certifying health and safety requirements to the extent required

1 by federal law. Until the form is adopted, the information required  
 2 pursuant to Section 11324 of the Welfare and Institutions Code  
 3 shall continue to be maintained by the county welfare department  
 4 or contractor, as appropriate.

5 (b) The department and the State Department of Social Services  
 6 shall do both of the following:

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

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

12 (c) (1) County welfare departments and alternative payment  
 13 programs shall encourage all providers who are licensed or who  
 14 are exempt from licensure and who are providing care under  
 15 Section 8351, 8353, or 8354, to secure training and education in  
 16 basic child development.

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

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

25 ~~SEC. 109.~~

26 *SEC. 108.* Section 8358.5 of the Education Code is amended  
 27 to read:

28 8358.5. Notwithstanding any other confidentiality requirement,  
 29 the government or private agency administering subsidized care  
 30 services shall share information necessary for the administration  
 31 of the programs pursuant to this article and the CalWORKs  
 32 program pursuant to Chapter 2 (commencing with Section 11200)  
 33 of Part 3 of Division 9 of the Welfare and Institutions Code, for  
 34 the time period for which the person receives services.

35 ~~SEC. 110.~~

36 *SEC. 109.* Section 8359.1 of the Education Code is amended  
 37 to read:

38 8359.1. (a) It is the intent of the Legislature in enacting this  
 39 article to provide sufficient funding through an appropriation in  
 40 the annual Budget Act to fund the estimated cost of providing care



1 for all individuals who are anticipated to need care to participate  
2 in the welfare-to-work programs and to transition to work.

3 (b) Funding for purposes of implementing this article shall be  
4 appropriated in the annual Budget Act.

5 ~~SEC. 111.~~

6 *SEC. 110.* The heading of Article 16 (commencing with Section  
7 8360) of Chapter 2 of Part 6 of Division 1 of Title 1 of the  
8 Education Code is amended to read:

9

10 Article 16. Early Learning and Educational Support Personnel  
11 Qualifications

12

13 ~~SEC. 112.~~

14 *SEC. 111.* Section 8360 of the Education Code is amended to  
15 read:

16 8360. (a) Early learning and educational support programs  
17 shall include a career ladder for instructional staff. The governing  
18 board of each contracting agency shall be encouraged to provide  
19 instructional staff and aides with salary increases for the successful  
20 completion of early childhood education or child development  
21 unit-based coursework and degrees.

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

25 (1) Any person serving as a teacher in an early learning and  
26 educational support program providing early learning services  
27 shall possess a permit or credential issued by the Commission on  
28 Teacher Credentialing, including, but not limited to, one of the  
29 following:

30 (A) An associate teacher permit, or higher, authorizing service  
31 in the care, development, and instruction of children in early  
32 learning and educational support programs.

33 (B) A multiple subject credential with an authorization to teach  
34 prekindergarten to grade 12, inclusive, in a self-contained  
35 classroom.

36 (C) An elementary credential.

37 (D) A single subject credential in home economics.

38 (2) Any teacher qualifying under subparagraph (B), (C), or (D)  
39 of paragraph (1) must also have completed 12 semester units in  
40 early childhood education or child development, or both, or have

1 two years' experience in early childhood education or an early  
2 learning and educational support program.

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

7 ~~SEC. 113.~~

8 *SEC. 112.* Section 8360.1 of the Education Code is repealed.

9 ~~SEC. 114.~~

10 *SEC. 113.* Section 8360.1 is added to the Education Code, to  
11 read:

12 8360.1. Except as waived under Section 8244, any entity  
13 operating early learning and educational support programs  
14 providing early learning services to children, pursuant to Article  
15 5 (commencing with Section 8228), at two or more sites, shall  
16 employ a program director who possesses a permit or credential  
17 issued by the Commission on Teacher Credentialing authorizing  
18 supervision of an early learning and educational support program,  
19 including, but not limited to:

- 20 (a) An administrative credential.
- 21 (b) A children's center supervision permit.
- 22 (c) A program director permit.
- 23 (d) A waiver issued by the Superintendent pursuant to Section  
24 8244.

25 ~~SEC. 115.~~

26 *SEC. 114.* Section 8360.2 of the Education Code is amended  
27 to read:

28 8360.2. Not later than 95 days after the governing board of a  
29 public agency sets the date a person employed by that board shall  
30 begin service in a position requiring a permit or credential, that  
31 person shall file, on or before that date, with the county  
32 superintendent of schools a valid permit issued on or before that  
33 date, authorizing him or her to serve in a position for which he or  
34 she was employed. Upon renewal of that permit, that person shall  
35 file that renewal with the county superintendent of schools no later  
36 than 95 days after the renewal.

37 ~~SEC. 116.~~

38 *SEC. 115.* Section 8400 of the Education Code is amended to  
39 read:

40 8400. It has come to the attention of the Legislature that:

1 (a) Existing law does not provide for an administrative appeal  
2 procedure to review and resolve disputes between the department  
3 and the over 750 local contracting agencies that contract with the  
4 department to provide early learning and educational support  
5 services to low-income families in California.

6 (b) All disputes are currently resolved in the already  
7 overburdened California courts resulting in a time-consuming and  
8 costly process for both the contract agency and the department.  
9 Extensive funds have been expended by the department for those  
10 purposes.

11 (c) The presence of public and private agencies, small as well  
12 as large, in the subsidized early learning and educational support  
13 delivery system provides client families with a range of desirable  
14 services, and cost-effective service mechanisms.

15 (d) The presence of an efficient administrative appeal procedure  
16 will ensure program stability and encourage retention in the  
17 delivery system of a range of service-providing agencies.

18 ~~SEC. 117.~~

19 *SEC. 116.* Section 8401 of the Education Code is amended to  
20 read:

21 8401. It is the intent of the Legislature to authorize an appeal  
22 process for the resolution of disputes between the department and  
23 local agencies that contract with the department pursuant to Section  
24 8262 to provide early learning and educational support services  
25 or to furnish property, facilities, personnel, supplies, equipment,  
26 and administrative services.

27 ~~SEC. 118.~~ Section 8402 of the Education Code is amended to  
28 read:

29 ~~8402.~~ ~~The department shall provide an independent appeal~~  
30 ~~procedure to each contracting agency providing early learning and~~  
31 ~~educational support services pursuant to Section 8262. Before~~  
32 ~~filing an appeal petition, the contracting agency shall have~~  
33 ~~submitted all previously required standard monthly or quarterly~~  
34 ~~reporting forms to the department. The appeal procedure shall be~~  
35 ~~conducted by the Office of Administrative Hearings and shall be~~  
36 ~~provided upon petition of the contracting agency in any of the~~  
37 ~~following circumstances:~~

38 (a) ~~Termination or suspension of a contracting agency's contract.~~

1 ~~(b) Denial of more than 4 percent or twenty-five thousand dollars~~  
 2 ~~(\$25,000), whichever is less, of a local contracting agency's~~  
 3 ~~contracted payment for services schedule.~~

4 ~~(c) Demand for remittance of an overpayment of more than 4~~  
 5 ~~percent or twenty-five thousand dollars (\$25,000), whichever is~~  
 6 ~~less, of a local contracting agency's annual contract.~~

7 ~~SEC. 119. Section 8406.7 of the Education Code is amended~~  
 8 ~~to read:~~

9 ~~8406.7. (a) Any agency that evidences chronic fiscal or~~  
 10 ~~program violations of a felony nature may have its contract~~  
 11 ~~suspended or terminated immediately if there is documented~~  
 12 ~~evidence of these violations, and upon review and recommendation~~  
 13 ~~of the general counsel of the department. A fiscal or programmatic~~  
 14 ~~violation constituting a breach of contract includes one or more~~  
 15 ~~of the following:~~

- 16 ~~(1) Fraud, or conspiracy to defraud.~~
- 17 ~~(2) Misuse of state funds in violation of the State of California~~  
 18 ~~Accounting Manual.~~
- 19 ~~(3) Embezzlement.~~
- 20 ~~(4) Threats of bodily or other harm to state officials.~~
- 21 ~~(5) Bribery or attempted bribery of a state official.~~
- 22 ~~(6) Unsafe or unhealthy physical environment or facility.~~
- 23 ~~(7) Substantiated abuse or molestation of children.~~
- 24 ~~(8) Failure to report suspected child abuse or molestation.~~
- 25 ~~(9) Theft of supplies, equipment, or food.~~

26 ~~(b) An agency contract terminated for cause retains appeal rights~~  
 27 ~~in accordance with Section 8402.~~

28 ~~(c) The department shall advise contractors of the provisions~~  
 29 ~~of this section within 30 working days of its enactment.~~

30 ~~SEC. 117. Section 8402 of the Education Code is amended to~~  
 31 ~~read:~~

32 ~~8402. (a) The department shall provide an independent appeal~~  
 33 ~~procedure to each contracting agency providing child care and~~  
 34 ~~development early learning and educational support services~~  
 35 ~~pursuant to Section 8262 that shall be conducted by the Office of~~  
 36 ~~Administrative Hearings and shall be provided upon an appeal~~  
 37 ~~petition of the contracting agency in any of the following~~  
 38 ~~circumstances:~~

- 39 ~~(1) Termination of a contracting agency's contract.~~

1 (2) Denial of more than 4 percent or twenty-five thousand dollars  
2 (\$25,000), whichever is less, of a local contracting agency's  
3 contracted payment for services schedule.

4 (3) Demand for remittance of an overpayment of more than 4  
5 percent or twenty-five thousand dollars (\$25,000), whichever is  
6 less, of a local contracting agency's annual contract.

7 (b) Before filing an appeal petition for an action taken pursuant  
8 to paragraph (2) or (3) of subdivision (a), the contracting agency  
9 shall have submitted all previously required standard monthly or  
10 quarterly reporting forms to the department.

11 *SEC. 118. Section 8406.7 of the Education Code is amended*  
12 *to read:*

13 8406.7. (a) A contracting agency that evidences any of the  
14 following acts or omissions may have its contract or contracts  
15 immediately terminated if there is documented evidence of the  
16 acts or omissions, and upon review and recommendation of the  
17 general counsel of the department:

18 (1) Fraud, or conspiracy to defraud.

19 (2) Misuse or misappropriation of state or federal funds,  
20 including a violation of Section 8406.9.

21 (3) Embezzlement.

22 (4) Threats of bodily or other harm to a state official.

23 (5) Bribery or attempted bribery of a state official.

24 (6) Unsafe or unhealthy physical environment or facility.

25 (7) Substantiated abuse or molestation of children.

26 (8) Failure to report suspected child abuse or molestation.

27 (9) Theft of supplies, equipment, or food.

28 (10) Cessation of operations without the permission of the  
29 department, or acts or omissions evidencing abandonment of the  
30 contract or contracts.

31 (11) Failure of a program operating pursuant to Article 3  
32 (commencing with Section 8220) or Article 15.5 (commencing  
33 with Section 8350) to fully reimburse a significant number of  
34 approved-child care providers, as determined by the department,  
35 within 15 calendar days after the date set in the plan for timely  
36 payments to-child care providers adopted by the contracting agency  
37 pursuant to Section 18226 of Title 5 of the California Code of  
38 Regulations, unless the failure is attributable to a delay in receiving  
39 apportionments from the state.

1 (12) Failure of a program operating pursuant to this chapter to  
2 pay salaries owed to employees, pay federal payroll tax, or fully  
3 reimburse a significant number of ~~child~~ care providers, as  
4 determined by the department, affiliated with a contracting agency  
5 pursuant to Article 8.5 (commencing with Section 8245) for more  
6 than 15 days after the employee salaries, federal payroll taxes, or  
7 reimbursement payments were due, unless the failure is attributable  
8 to a delay in receiving apportionments from the state.

9 (b) An agency whose contract is immediately terminated  
10 pursuant to this section retains appeal rights in accordance with  
11 Section 8402.

12 (c) Notwithstanding any service provision in the Administrative  
13 Procedure Act (Chapter 5 (commencing with Section 11500) of  
14 Part 1 of Division 3 of Title 2 of the Government Code), a notice  
15 of immediate termination shall be served on the contracting agency  
16 by personal service or at the last address on file with the  
17 department, by overnight mail or certified mail. Service may be  
18 proved in the manner authorized in a civil action. Service by mail  
19 is complete at the time of deposit.

20 (d) The department shall advise ~~child care and development~~  
21 contractors of the provisions of this section within 30 working  
22 days of the effective date of the act amending this section during  
23 the 2013–14 Regular Session of the Legislature.

24 ~~SEC. 120.~~

25 *SEC. 119.* Section 8447 of the Education Code is amended to  
26 read:

27 8447. (a) The Legislature hereby finds and declares that greater  
28 efficiencies may be achieved in the execution of state subsidized  
29 early learning and educational support program contracts with  
30 public and private agencies by the timely approval of contract  
31 provisions by the Department of Finance, the Department of  
32 General Services, and the State Department of Education and by  
33 authorizing the State Department of Education to establish a  
34 multiyear application, contract expenditure, and service review as  
35 may be necessary to provide timely service while preserving audit  
36 and oversight functions to protect the public welfare.

37 (b) (1) The Department of Finance and the Department of  
38 General Services shall approve or disapprove annual contract  
39 funding terms and conditions, including both family fee schedules  
40 and regional market rate schedules that are required to be adhered

1 to by contract, and contract face sheets submitted by the State  
2 Department of Education not more than 30 working days from the  
3 date of submission, unless unresolved conflicts remain between  
4 the Department of Finance, the State Department of Education,  
5 and the Department of General Services. The State Department of  
6 Education shall resolve conflicts within an additional 30 working  
7 day time period. Contracts and funding terms and conditions shall  
8 be issued to contractors no later than June 1. Applications for new  
9 early learning and educational support funding shall be issued not  
10 more than 45 working days after the effective date of authorized  
11 new allocations of ~~child care~~ *these* moneys.

12 (2) Notwithstanding paragraph (1), the State Department of  
13 Education shall implement the regional market rate schedules  
14 based upon the county aggregates, as determined by the regional  
15 market rate survey conducted in 2005.

16 (3) It is the intent of the Legislature to fully fund the third stage  
17 of ~~child care~~ for former CalWORKs recipients.

18 (c) With respect to subdivision (b), it is the intent of the  
19 Legislature that the Department of Finance annually review  
20 contract funding terms and conditions for the primary purpose of  
21 ensuring consistency between early learning and educational  
22 support contracts and the early learning and educational support  
23 budget. This review shall include evaluating any proposed changes  
24 to contract language or other fiscal documents to which the  
25 contractor is required to adhere, including those changes to terms  
26 or conditions that authorize higher reimbursement rates, that  
27 modify related adjustment factors, that modify administrative or  
28 other service allowances, or that diminish fee revenues otherwise  
29 available for services, to determine if the change is necessary or  
30 has the potential effect of reducing the number of full-time  
31 equivalent children that may be served.

32 (d) Alternative payment programs, as set forth in Article 3  
33 (commencing with Section 8220), shall be subject to the rates  
34 established in the Regional Market Rate Survey of California Child  
35 Care Providers for provider payments. The State Department of  
36 Education shall contract to conduct and complete a regional market  
37 rate survey no more frequently than once every two years,  
38 consistent with federal regulations, with a goal of completion by  
39 March 1.

1 (e) By March 1 of each year, the Department of Finance shall  
2 provide to the State Department of Education the state median  
3 income amount for a four-person household in California based  
4 on the best available data. The State Department of Education shall  
5 adjust its fee schedule for *care* providers to reflect this updated  
6 state median income; however, no changes based on revisions to  
7 the state median income amount shall be implemented midyear.

8 (f) 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 before 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 ~~SEC. 121.~~

21 *SEC. 120.* Section 8448 of the Education Code is amended to  
22 read:

23 8448. As used in this article:

24 (a) “Financial and compliance audit” means a systematic review  
25 or appraisal to determine each of the following:

26 (1) Whether the financial statements of an audited organization  
27 fairly present the financial position and the results of financial  
28 operations in accordance with generally accepted accounting  
29 principles.

30 (2) Whether the organization has complied with laws and  
31 regulations that may have a material effect upon the financial  
32 statements.

33 (b) “Public accountants” means certified public accountants, or  
34 state licensed public accountants.

35 (c) “Independent auditors” means public accountants who have  
36 no direct or indirect relationship with the functions or activities  
37 being audited or with the business conducted by any of the officials  
38 or contractors being audited.

39 (d) “Generally accepted auditing standards” means the auditing  
40 standards set forth in the financial and compliance element of the



1 “Government Auditing Standards” issued by the Comptroller  
2 General of the United States and incorporating the audit standards  
3 of the American Institute of Certified Public Accountants.

4 (e) “Direct service contract” means any contract with any public  
5 or private entity for early learning and educational support  
6 programs, resource and referral programs, and programs contracting  
7 to provide support services, as defined in Section 8208.

8 (f) “Nonprofit organization” means an organization described  
9 in Section 501(c)(3) of the Internal Revenue Code of 1954 which  
10 is exempt from taxation under Section 501(a) of that code, or any  
11 nonprofit, scientific, or educational organization qualified under  
12 Section 23701d of the Revenue and Taxation Code.

13 (g) (1) Annually, there shall be a single independent financial  
14 and compliance audit of organizations that contract with the state  
15 under a direct service contract. Any such audit shall include an  
16 evaluation of the accounting and control systems of the direct  
17 service contractor and of the activities by the contractor to comply  
18 with the financial requirements of direct service contracts received  
19 by the contractor from the state agency. The financial and  
20 compliance requirements to be reviewed during the audit shall be  
21 those developed and published by the department in consultation  
22 with the Department of Finance. Audits carried out pursuant to  
23 this section shall be audits of the contractor rather than audits of  
24 individual contracts or programs. In the case of any contractor that  
25 receives less than twenty-five thousand dollars (\$25,000) per year  
26 from any state agency, the audit required by this section shall be  
27 conducted biennially, unless there is evidence of fraud or other  
28 violation of state law in connection with the direct service contract.  
29 The cost of the audit may be included in direct service contracts.

30 (2) The organization receiving funds from the state shall be  
31 responsible for obtaining the required financial and compliance  
32 audits of the organization and any subcontractors, except for direct  
33 service subcontracts and other subcontracts exempt from  
34 department review, as agreed to by the Departments of Finance  
35 and General Services. The audits shall be made by independent  
36 auditors in accordance with generally accepted auditing standards.  
37 The audit shall be completed by the 15th day of the fifth month  
38 following the end of the contractor’s fiscal year. A copy of the  
39 required audit shall be filed with the department upon its  
40 completion. In the event an audit is not filed, the department shall

1 notify the organization of the contract violation. The audit report  
2 filed shall be an integral part of the direct service contract file.

3 (h) (1) Nothing in this article limits the authority of the  
4 department to make audits of direct service contracts. However,  
5 if independent audits arranged for by direct service contractors  
6 meet generally accepted auditing standards, the department shall  
7 rely on those audits and any additional audit work shall build upon  
8 the work already done.

9 (2) Nothing in this article precludes the state from conducting,  
10 or contracting for the conduct of, contract performance audits  
11 which are not financial and compliance audits.

12 (3) Nothing in this article limits the state's responsibility or  
13 authority to enforce state law or regulations, procedures, or  
14 reporting requirements arising pursuant thereto.

15 (4) Nothing in this article limits the responsibility of the  
16 department to provide an independent appeal procedure according  
17 to the provisions of the Administrative Procedure Act (Chapter 5  
18 (commencing with Section 11500) of Part 1 of Division 3 of Title  
19 2) of the Government Code.

20 ~~SEC. 122.~~

21 *SEC. 121.* Section 8450 of the Education Code is amended to  
22 read:

23 8450. (a) All early learning and educational support contractors  
24 are encouraged to develop and maintain a reserve within the child  
25 development fund, derived from earned but unexpended funds.  
26 Contractors may retain all earned funds. For the purpose of this  
27 section, "earned funds" are those for which the required number  
28 of eligible service units have been provided.

29 (b) (1) Earned funds shall not be expended for any activities  
30 proscribed by Section 8406.7. Earned but unexpended funds shall  
31 remain in the contractor's reserve account within the child  
32 development fund and shall be expended only by early learning  
33 services contractors that are funded under contract with the  
34 department.

35 (2) Commencing July 1, 2011, a contractor may retain a reserve  
36 fund balance, separate from the reserve fund retained pursuant to  
37 subdivision (c) or (d), equal to 5 percent of the sum of the  
38 maximum reimbursable amounts of all contracts to which the  
39 contractor is a party, or two thousand dollars (\$2,000), whichever

1 is greater. This paragraph applies to early learning services  
2 contractors that are funded under contract with the department.

3 (c) Notwithstanding subdivisions (a) and (b), a contractor may  
4 retain a reserve fund balance for a resource and referral program,  
5 separate from the balance retained pursuant to subdivision (b) or  
6 (d), not to exceed 3 percent of the contract amount. Funds from  
7 this reserve account may be expended only by resource and referral  
8 programs that are funded under contract with the department.

9 (d) Notwithstanding subdivisions (a) and (b), a contractor may  
10 retain a reserve fund balance for alternative payment model and  
11 certificate contracts, separate from the reserve fund retained  
12 pursuant to subdivisions (b) and (c). Funds from this reserve  
13 account may be expended only by alternative payment model and  
14 certificate programs that are funded under contract with the  
15 department. The reserve amount allowed by this section may not  
16 exceed either of the following, whichever is greater:

17 (1) Two percent of the sum of the parts of each contract to which  
18 that contractor is a party that is allowed for administration pursuant  
19 to Section 8276.7 and that is allowed for supportive services  
20 pursuant to the provisions of the contract.

21 (2) One thousand dollars (\$1,000).

22 (e) Each contractor's audit shall identify any funds earned by  
23 the contractor for each contract through the provision of contracted  
24 services in excess of funds expended.

25 (f) Any interest earned on reserve funds shall be included in the  
26 fund balance of the reserve. This reserve fund shall be maintained  
27 in an interest-bearing account.

28 (g) Moneys in a contractor's reserve fund may be used only for  
29 expenses that are reasonable and necessary costs as defined in  
30 subdivision ~~(l)~~ (m) of Section 8208.

31 (h) Any reserve fund balance in excess of the amount authorized  
32 pursuant to subdivisions (b), (c), and (d) shall be returned to the  
33 department pursuant to procedures established by the department.

34 (i) Upon termination of all early learning and educational  
35 support contracts between a contractor and the department, all  
36 moneys in a contractor's reserve fund shall be returned to the  
37 department pursuant to procedures established by the department.

38 (j) Expenditures from, additions to, and balances in, the reserve  
39 fund shall be included in the agency's annual financial statements  
40 and audit.

1 ~~SEC. 123.~~

2 *SEC. 122.* Section 8493 of the Education Code is amended to  
3 read:

4 8493. It is the intent of the Legislature that funds be  
5 appropriated for capital outlay for purposes of providing facilities  
6 for services provided pursuant to this chapter, including, but not  
7 limited to, all of the following purposes:

8 (a) For the purchase of relocatable facilities by the state for lease  
9 to qualifying contracting agencies in areas with no available  
10 economically practical or feasible early learning and educational  
11 support facilities.

12 (b) For renovation and repair of early learning and educational  
13 support facilities in order to comply with state and local health  
14 and safety standards and licensing requirements, without  
15 unnecessarily increasing the value of the facility.

16 ~~SEC. 124.~~

17 *SEC. 123.* Section 8494 of the Education Code is amended to  
18 read:

19 8494. (a) All of the following programs, other than those  
20 providing extended care services, shall be eligible to receive a loan  
21 for the renovation and repair of facilities used for the program or  
22 to lease relocatable facilities to be used for the program:

23 (1) Private nonprofit programs currently, or soon to be, under  
24 contract with the department pursuant to Section 8262.

25 (2) Early learning and educational support programs conducted  
26 pursuant to Article 4 (commencing with Section 8225).

27 (3) Early learning and educational support programs operated  
28 by, or in a facility owned by, a public entity.

29 (4) Early learning and educational support programs conducted  
30 pursuant to Article 7.1 (commencing with Section 54740) of  
31 Chapter 9 of Part 29.

32 (b) A recipient of a loan pursuant to this section shall document  
33 that the renovated facility shall comply with all laws and  
34 regulations applicable to child care facilities provided for pursuant  
35 to Chapter 3.4 (commencing with Section 1596.70) and Chapter  
36 3.5 (commencing with Section 1596.90) of Division 2 of the Health  
37 and Safety Code.

38 (c) A recipient of a loan pursuant to this section shall ensure  
39 the board that the renovated facility shall be used for purposes of

1 the program for the entire loan period, which shall be determined  
2 by the board as follows:

3 (1) For loans equal to or less than thirty thousand dollars  
4 (\$30,000), not less than three years.

5 (2) For loans exceeding thirty thousand dollars (\$30,000), the  
6 loan period shall increase one year for each additional ten thousand  
7 dollars (\$10,000) or part thereof, to a maximum of fifty thousand  
8 dollars (\$50,000).

9 (d) Interest on the loan principal shall be charged at a rate equal  
10 to the average of the interest rate applied to the last three bond  
11 sales pursuant to Chapter 21.6 (commencing with Section 17695)  
12 of Part 10.

13 (e) In the event that a recipient ceases to use the renovated  
14 facility for purposes of the program before the expiration of the  
15 loan period, the board shall collect the entire outstanding balance  
16 of the loan, plus interest, notwithstanding the loan period originally  
17 set pursuant to subdivision (c), unless the board deems it  
18 appropriate to waive repayment at that time.

19 (f) If the renovated facility has been continuously used for  
20 purposes of the program for the entire loan period, the board shall  
21 waive repayment of the amount of the loan principal, plus interest,  
22 at the end of the loan period.

23 ~~SEC. 125.~~

24 *SEC. 124.* Section 8495 of the Education Code is amended to  
25 read:

26 8495. (a) There is hereby created in the State Treasury the  
27 State Child Care Capital Outlay Fund. Notwithstanding Section  
28 13340 of the Government Code, all moneys in the State Child Care  
29 Capital Outlay Fund, including moneys deposited in that fund from  
30 any source whatsoever, shall be continuously appropriated without  
31 regard to fiscal year for expenditure pursuant to this article. The  
32 fund shall be administered by the State Allocation Board, which  
33 may authorize the expenditure of any moneys in the fund for capital  
34 outlay projects pursuant to Section 8277.7 or this article. Funds in  
35 the State Child Care Facilities Fund set aside for the purposes of  
36 providing extended day care facilities pursuant to Section 8477  
37 shall be transferred to the State Child Care Capital Outlay Fund  
38 upon the effective date of the act amending this section in the  
39 1997–98 Regular Session.

1 (b) The Superintendent shall establish the qualifications to  
2 determine the eligibility of agencies, including those that provide  
3 preschool and extended-day care services, to lease relocatable  
4 facilities under this section.

5 (c) Although primary use of relocatable facilities shall be for  
6 early learning and educational support programs, including  
7 preschool and extended-day care programs, those facilities may  
8 be used for other purposes if the following conditions are met:

9 (1) The alternative use of the facility does not infringe upon the  
10 accessibility of early learning and educational support programs  
11 including preschool or extended-day care programs.

12 (2) The Superintendent authorizes alternative use as being  
13 compatible with early learning and educational support programs,  
14 including preschool or extended-day care programs.

15 (d) The State Allocation Board, with the advice of the  
16 Superintendent, may do all of the following:

17 (1) Establish any procedures and policies in connection with  
18 the administration of this section that it deems necessary.

19 (2) Adopt any rules and regulations for the administration of  
20 this section requiring those procedures, forms, and information  
21 that it deems necessary.

22 (3) Have constructed, furnished, equipped, or otherwise require  
23 whatever work is necessary to place relocatable facilities for early  
24 learning and educational support services, including preschool and  
25 extended day care services where needed.

26 (e) The board shall lease relocatable facilities to qualifying  
27 agencies providing early learning and educational support services,  
28 including preschool or extended day care services, and shall charge  
29 rent of one dollar (\$1) per year. The board shall require lessees to  
30 undertake all necessary maintenance, repairs, renewal, and  
31 replacement to ensure that a project is at all times kept in good  
32 repair, working order, and condition. All costs incurred for this  
33 purpose shall be borne by the lessee. Neither the board nor the  
34 state shall assume any responsibility for utility services costs other  
35 than initial installation costs reimbursed under this article, and the  
36 agency shall provide adequate safeguards to protect the state's  
37 interest in this regard.

38 (f) The board shall require lessees to insure at their own expense  
39 for the benefit of the state, any leased relocatable facility that is  
40 the property of the state, against any risks, including liability from

1 the use thereof, in the amounts the board deems necessary to protect  
2 the interests of the state. Neither the board nor the state shall  
3 assume any responsibility for utility services costs other than initial  
4 installation costs reimbursed under this article, and the agency  
5 shall provide adequate safeguards to protect the state's interest in  
6 this regard.

7 (g) Relocatable facilities shall not be made available to an  
8 agency unless the agency furnishes evidence, satisfactory to the  
9 board, that the agency has no other facility available for rental,  
10 lease, or purchase in the geographic service area that is  
11 economically or otherwise feasible.

12 (h) The board shall have prepared for its use, performance  
13 specifications for relocatable facilities and bids for their  
14 construction that can be solicited from more than one responsible  
15 bidder. The board shall from time to time solicit bids from, and  
16 award to, the lowest responsible competitive bidder, contracts for  
17 the construction or purchase of relocatable facilities that have been  
18 approved for lease to eligible agencies that provide early learning  
19 and educational support services, including preschool or extended  
20 day care services.

21 (i) If at any time the board determines that a lessee's need for  
22 particular relocatable facilities that were made available to the  
23 lessee pursuant to this article has ceased, the board may take  
24 possession of the relocatable facilities and may lease them to other  
25 eligible contracting agencies, or, if there is no longer a need for  
26 the relocatable facilities, the board may dispose of them to public  
27 or private parties in the manner it deems to be in the best interests  
28 of the state.

29 (j) If a lessee uses a particular relocatable facility for only a  
30 portion of the year, the board may enter into a second lease with  
31 a public or private party for the use of that facility for the portion  
32 of the year during which the facility would otherwise be unused,  
33 in the manner it deems to be in the best interests of the state. The  
34 lessee shall be subject to subdivisions (d) and (f).

35 ~~SEC. 126.~~

36 *SEC. 125.* Section 8495.1 of the Education Code is amended  
37 to read:

38 8495.1. (a) The State Allocation Board shall establish  
39 regulations for the allocation of funds for capital outlay and for  
40 the reimbursement of initial utility installation costs for purposes

1 of this chapter. The Superintendent shall establish qualifications  
2 for determining the eligibility of agencies providing early learning  
3 and educational support services, including preschool and extended  
4 day care service, to apply for these funds.

5 (b) Notwithstanding any other law, except for Section 8477,  
6 priority in funding of capital outlay grants or relocatables from  
7 funds administered pursuant to Section 8277.7 and under this  
8 article, shall be determined in the following order:

9 (1) Programs experiencing emergencies as defined by the  
10 Superintendent and the State Allocation Board.

11 (2) Facilities lost due to the Class Size Reduction Program  
12 (Chapter 6.10 (commencing with Section 52120) of Part 28).

13 (3) Expansion of early learning and educational support services.  
14 ~~SEC. 127.~~

15 *SEC. 126.* Section 8498 of the Education Code is amended to  
16 read:

17 8498. (a) The State Allocation Board may use up to 5 percent  
18 of any appropriation for purposes of this article to provide loans  
19 to private nonsectarian early learning and educational support  
20 programs not under contract with the department for renovation  
21 and repair of existing program facilities, in accordance with this  
22 section.

23 (b) The Superintendent shall establish qualifications to determine  
24 the eligibility of agencies for loans pursuant to this 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 ensure  
5 the board that the renovated facility shall be used for purposes of  
6 the 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 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 program before the expiration of the  
25 period specified pursuant to subdivision (e), the board shall collect  
26 the entire outstanding balance of the loan, plus interest,  
27 notwithstanding the loan period originally set pursuant to  
28 subdivision (f).

29 ~~SEC. 128.~~

30 *SEC. 127.* Section 8499 of the Education Code is amended to  
31 read:

32 8499. For purposes of this chapter, the following definitions  
33 shall apply:

34 (a) "Block grant" means the block grant contained in Title VI  
35 of the Child Care and Development Fund, as established by the  
36 federal Personal Responsibility and Work Opportunity  
37 Reconciliation Act of 1996 (Public Law 104-193).

38 (b) "Child care" or "care" means *services provided by all*  
39 ~~licensed early learning and educational support services and or~~  
40 ~~license-exempt child care, providers~~, including, but not limited to,

1 private for-profit programs, nonprofit programs, and publicly  
2 funded programs, for all children from birth to 13 years of age,  
3 including children with exceptional needs and children from all  
4 linguistic and cultural backgrounds.

5 (c) “Child care provider” means a person who provides child  
6 care services or represents persons who provide child care services.

7 (d) “Community representative” means a person who represents  
8 an agency or business that provides private funding for ~~child~~ care  
9 services, or who advocates for ~~child~~ care services through  
10 participation in civic or community-based organizations but is not  
11 a ~~child~~ care provider and does not represent an agency that  
12 contracts with the State Department of Education to provide early  
13 learning and educational support services.

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

16 (f) “Department” means the State Department of Education.

17 (g) “Local planning council” means a local early learning and  
18 educational support planning council as described in Section  
19 8499.3.

20 (h) “Public agency representative” means a person who  
21 represents a city, county, city and county, or local educational  
22 agency.

23 ~~SEC. 129.~~

24 *SEC. 128.* The heading of Article 2 (commencing with Section  
25 8499.3) of Chapter 2.3 of Part 6 of Division 1 of Title 1 of the  
26 Education Code is amended to read:

27  
28 Article 2. Membership and Funding of Local Planning Councils

29  
30 ~~SEC. 130.~~

31 *SEC. 129.* Section 8499.3 of the Education Code is amended  
32 to read:

33 8499.3. (a) It is the intent of the Legislature that local planning  
34 councils shall provide a forum for the identification of local  
35 priorities for early learning and educational support and the  
36 development of policies to meet the needs identified within those  
37 priorities.

38 (b) The county board of supervisors and the county  
39 superintendent of schools shall do both of the following:

- 1 (1) Select the members of the local planning council. Before  
2 making selections pursuant to this subdivision, the county board  
3 of supervisors and the county superintendent of schools shall  
4 publicize their intention to select the members and shall invite  
5 local organizations to submit nominations. In counties in which  
6 the county superintendent is appointed by the county board of  
7 education, the county board of education may make the  
8 appointment or may delegate that responsibility to the  
9 superintendent.
- 10 (2) Establish the term of appointment for the members of the  
11 local planning council.
- 12 (c) (1) The local planning council shall be comprised as follows:
- 13 (A) Twenty percent of the membership shall be consumers.
- 14 (B) Twenty percent of the membership shall be providers,  
15 reflective of the range of providers in the county.
- 16 (C) Twenty percent of the membership shall be public agency  
17 representatives.
- 18 (D) Twenty percent of the membership shall be community  
19 representatives, who shall not be providers or agencies that contract  
20 with the department to provide services.
- 21 (E) The remaining 20 percent shall be appointed at the discretion  
22 of the appointing agencies.
- 23 (2) The county board of supervisors and the county  
24 superintendent of schools shall each appoint one-half of the  
25 members. In the case of uneven membership, both appointing  
26 entities shall agree on the odd-numbered appointee.
- 27 (d) Every effort shall be made to ensure that the ethnic, racial,  
28 and geographic composition of the local planning council is  
29 reflective of the ethnic, racial, and geographic distribution of the  
30 population of the county.
- 31 (e) The county board of supervisors and county superintendent  
32 of schools may designate an existing planning council or  
33 coordinated child and family services council as the local planning  
34 council, as long as it has or can achieve the representation set forth  
35 in this section.
- 36 (f) Upon establishment of a local planning council, the local  
37 planning council shall elect a chair and select a staff.
- 38 (g) Each local planning council shall develop and implement a  
39 training plan to provide increased efficiency, productivity, and  
40 facilitation of local planning council meetings. This may include

1 developing a training manual, hiring facilitators, and identifying  
 2 strategies to meet the objectives of the council.

3 (h) A member of a local planning council shall not participate  
 4 in a vote if he or she has a proprietary interest in the outcome of  
 5 the matter being voted upon.

6 ~~SEC. 131.~~

7 *SEC. 130.* Section 8499.5 of the Education Code is amended  
 8 to read:

9 8499.5. (a) The department shall allocate funding pursuant to  
 10 Chapter 2 (commencing with Section 8200) based on the amount  
 11 of state and federal funding that is available.

12 (b) By May 30 of each year, upon approval by the county board  
 13 of supervisors and the county superintendent of schools, a local  
 14 planning council shall submit to the department the local priorities  
 15 it has identified that reflect all child care needs in the county. To  
 16 accomplish this, a local planning council shall do all of the  
 17 following:

18 (1) Conduct an assessment of ~~child~~ care needs in the county no  
 19 less than once every five years. The department shall define and  
 20 prescribe data elements to be included in the needs assessment and  
 21 shall specify the format for the data reporting. The needs  
 22 assessment shall also include all factors deemed appropriate by  
 23 the local planning council in order to obtain an accurate picture of  
 24 the comprehensive ~~child~~ care needs in the county. The factors  
 25 include, but are not limited to, all of the following:

26 (A) The needs of families eligible for subsidized care.

27 (B) The needs of families not eligible for subsidized care.

28 (C) The waiting lists for programs funded by the department  
 29 and the State Department of Social Services.

30 (D) The need for care for children determined by the child  
 31 protective services agency to be neglected, abused, or exploited,  
 32 or at risk of being neglected, abused, or exploited.

33 (E) The number of children in families receiving public  
 34 assistance, including CalFresh benefits, housing support, and  
 35 Medi-Cal, and assistance from the Healthy Families Program and  
 36 the Temporary Assistance for Needy Families (TANF) program.

37 (F) Family income among families with preschool or schoolage  
 38 children.

39 (G) The number of children in migrant agricultural families  
 40 who move from place to place for work or who are currently

1 dependent for their income on agricultural employment in  
2 accordance with subdivision (a) of Section 8231.

3 (H) The number of children who have been determined by a  
4 regional center to require services pursuant to an individualized  
5 family service plan, or by a local educational agency to require  
6 services pursuant to an individualized education program or an  
7 individualized family service plan.

8 (I) The number of children in the county by primary language  
9 spoken pursuant to the department's language survey.

10 (J) Special needs based on geographic considerations, including  
11 rural areas.

12 (K) The number of children needing services by age cohort.

13 (2) Document information gathered during the needs assessment  
14 that shall include, but need not be limited to, data on supply,  
15 demand, cost, and market rates for each category of child care in  
16 the county.

17 (3) Develop a draft of local priorities for early learning and  
18 educational support program funding that includes the needs  
19 assessment in paragraph (1) and that considers the resources  
20 currently available in attendance areas of elementary schools  
21 ranked in deciles 1 to 3, inclusive, of the Academic Performance  
22 Index pursuant to Section 52056.

23 (4) Encourage public input in the development of the priorities.  
24 Opportunities for public input shall include at least one public  
25 hearing during which members of the public can comment on the  
26 proposed priorities.

27 (5) Prepare a comprehensive countywide ~~child~~ care plan  
28 designed to mobilize public and private resources to address  
29 identified needs.

30 (6) Conduct a periodic review of early learning and educational  
31 support programs funded by the department and the State  
32 Department of Social Services to determine if identified priorities  
33 are being met.

34 (7) Collaborate with subsidized and nonsubsidized providers,  
35 county welfare departments, human service agencies, regional  
36 centers, job training programs, employers, integrated child and  
37 family service councils, local and state children and families  
38 commissions, parent organizations, early start family resource  
39 centers, family empowerment centers on disability, local resource

1 and referral programs, and other interested parties to foster  
2 partnerships designed to meet local child care needs.

3 (8) Design a system to consolidate local ~~child~~ care waiting lists,  
4 if a centralized eligibility list is not already in existence.

5 (9) Coordinate part-day programs, including California state  
6 preschool and Head Start, with other early learning and educational  
7 support services to provide full-day care.

8 (10) Submit the results of the needs assessment and the local  
9 priorities identified by the local planning council to the county  
10 board of supervisors and the county superintendent of schools for  
11 approval before submitting them to the department.

12 (11) Identify at least one, but not more than two, members to  
13 serve as part of the department team that reviews and scores  
14 proposals for the provision of services funded through contracts  
15 with the department. Local planning council representatives may  
16 not review and score proposals from the geographic area covered  
17 by their own local planning council. The department shall notify  
18 each local planning council whenever this opportunity is available.

19 (c) The department shall, in conjunction with the State  
20 Department of Social Services and all appropriate statewide  
21 agencies and associations, develop guidelines for use by local  
22 planning councils to assist them in conducting needs assessments  
23 that are reliable and accurate. The guidelines shall include  
24 acceptable sources of demographic and ~~child~~ care data, and  
25 methodologies for assessing ~~child~~ care supply and demand.

26 (d) The department shall allocate funding within each county  
27 in accordance with the priorities identified by the local planning  
28 council of that county and submitted to the department pursuant  
29 to this section, unless the priorities do not meet the requirements  
30 of state or federal law.

31 (e) When additional funds for early learning services are  
32 appropriated by the Legislature, the department shall allocate  
33 funding within each county in accordance with the priorities that  
34 include the review of resources in the attendance areas of  
35 elementary schools ranked in deciles 1 to 3, inclusive, of the  
36 Academic Performance Index pursuant to Section 52056, as  
37 identified by the local planning council of that county and  
38 submitted to the department pursuant to paragraph (3) of

- 1 subdivision (b), unless the priorities do not meet the requirements
- 2 of state or federal law.

O