

AMENDED IN SENATE AUGUST 25, 2015

AMENDED IN SENATE AUGUST 24, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 128**

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**Introduced by Committee on Budget (Weber (Chair), Bloom, Bonta, Campos, Chiu, Cooper, Gordon, Jones-Sawyer, McCarty, Mullin, Nazarian, O'Donnell, Rodriguez, Thurmond, Ting, and Williams)**

January 9, 2015

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An act to amend Sections 8347.2, 8347.4, 70022, 89007.7, and 89282 of, and to repeal Section 8347.6 of, the Education Code, *to amend Section 58 of Chapter 13 of the Statutes of 2015*, and to amend Items 6100-194-0001 and 6100-194-0890 of Section 2.00 of the Budget Act of 2015, relating to education finance, and making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL'S DIGEST

AB 128, as amended, Committee on Budget. Education finance.

(1) The Child Care and Development Services Act has a purpose of providing a comprehensive, coordinated, and cost-effective system of child care and development services for 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. Existing law requires the Superintendent of Public Instruction to develop standards for the implementation of quality child care programs. Existing law authorizes the County of San Mateo, and as a pilot project, to develop an individualized county child care subsidy plan, as provided. Existing law requires the County of San Mateo to submit an annual report, until January 1, 2018, to the Legislature and other specified

entities that summarizes the success of the plan, among other things. Existing law provides for the repeal of those provisions on January 1, 2019.

This bill would authorize the County of San Mateo to implement the individualized county child care subsidy plan indefinitely and would make conforming changes. The bill would make legislative findings and declarations regarding the need for special legislation for the County of San Mateo.

(2) Existing law establishes the Student Aid Commission as the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education. The programs administered by the commission include the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program and the Middle Class Scholarship Program.

The Middle Class Scholarship Program provides that, subject to an available and sufficient appropriation, commencing with the 2014–15 academic year, an undergraduate student enrolled at the University of California or the California State University, and meeting certain requirements, is eligible for a scholarship award that, combined with other federal, state, and institutionally administered grants and fee waivers, is for an amount of up to 40% of the systemwide tuition and fees. Under existing law, to receive an award under the Middle Class Scholarship Program, a student is required to have an annual household income that does not exceed \$150,000, satisfy specified requirements for a Cal Grant award, be a California resident or exempt from paying nonresident tuition, file specified financial aid forms, timely apply for publicly funded student financial aid for which he or she is eligible, maintain at least a 2.0 grade point average, be pursuing his or her first undergraduate baccalaureate degree or be enrolled in a specified professional teacher preparation program, and be enrolled at least part-time.

The program provides that a student whose annual income exceeds \$100,000, but does not exceed \$150,000, and who otherwise meets the program requirements, receives a scholarship award that is reduced in accordance with prescribed calculations.

This bill would require the commission, beginning with the 2016–17 academic year, to annually adjust these calculations to reflect changes in the cost of living, as defined.

(3) Existing law establishes the California State University, under the administration of the Trustees of the California State University, as

one of the segments of public postsecondary education in this state. Existing law requires, commencing on January 1, 2014, and no later than July 1 of each even-numbered year, that the Legislative Analyst's Office, in consultation with the university, submit a report to the Legislature including specified data relating to the California State University Early Start Program. Existing law makes these provisions regarding the Early Start Program inoperative on July 1, 2018.

This bill would instead require the Legislative Analyst's Office to submit the required report on or before January 1, 2018, rather than no later than July 1 of each even-numbered year.

(4) Existing law authorizes the California State University to establish a Doctor of Nursing Practice degree pilot program at 3 campuses chosen by the trustees to award the Doctor of Nursing Practice degree. Existing law requires the university, the Legislative Analyst's Office, and the Department of Finance to jointly conduct a statewide evaluation of the degree pilot program and report the results to the Legislature and the Governor, in writing, on or before January 1, 2017. Existing law requires that evaluation to consider specified subjects. These provisions are repealed on January 1, 2021.

This bill would delete the requirement of a joint statewide evaluation of the Doctor of Nursing Practice degree pilot programs. The bill would instead require California State University to submit a report on these programs to the Legislature and Governor on or before March 1, 2016, considering most of the same subjects, except that the Legislative Analyst's Office would report to the Legislature on or before January 1, 2017, on the pilot program's compliance with the law, and with recommendations for the program. The bill would require the California State University to provide, by July 1, 2016, the Legislative Analyst's Office with data deemed necessary by the office for its report.

(5) Existing law establishes the University of California, under the administration of the Regents of the University of California, the California State University, under the administration of the Trustees of the California State University, and the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, as the 3 public segments of postsecondary education in this state.

Existing law establishes the Office of Planning and Research in the Office of the Governor to serve the Governor and his or her Cabinet as staff for long-range planning and research.

The bill would require the Director of the Office of Planning and Research, or his or her designee, to administer a study to evaluate the admissions policies used by the University of California and the California State University and determine the number of students eligible for admission to those segments. The bill would require the office to submit a report summarizing the methodology and findings of this study to the Legislature and the Governor by December 1, 2016. The bill would provide that the Director of the Office of Planning and Research would use \$1,000,000 appropriated in a specified statute for its costs pursuant to this provision.

(6) Existing law appropriates \$490,000,000 to school districts, county offices of education, charter schools, and the state special schools in an equal amount per certificated staff in the 2014–2015 fiscal year.

*This bill would require that the money appropriated above be in an equal amount per full-time equivalent certificated staff, not to exceed the total certificated staff count for each eligible local educational agency, in the 2014–2015 fiscal year. The bill would require the Superintendent of Public Instruction to make the calculations for the above appropriation using the data submitted through the California Longitudinal Pupil Achievement Data System.*

(6)

(7) This bill would revise General Fund and federal trust fund appropriations in the Budget Act of 2015 relating to local assistance for child care and developmental programs.

(7)

(8) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

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

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

1 SECTION 1. Section 8347.2 of the Education Code is amended  
2 to read:

3 8347.2. For purposes of this article, “plan” means an  
4 individualized county child care subsidy plan developed and  
5 approved as described in Section 8347, which includes all of the  
6 following:

7 (a) An assessment to identify the county’s goal for its subsidized  
8 child care system. The assessment shall examine whether the

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

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

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

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

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

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

17 (6) Family fees.

18 (7) The cost of providing child care.

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

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

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

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

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

29 (A) Prioritize lowest income families first.

30 (B) Follow the family fee schedule established pursuant to  
31 Section 8273 for those families that are income eligible, as defined  
32 by Section 8263.1.

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

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

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

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

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 (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 shall 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, and interagency agreements  
24 that allow for flexible and temporary transfer of funds among  
25 agencies.

26 (c) Recognition that all funding sources utilized by direct service  
27 contractors that provide child care and development services in  
28 the county are eligible to be included in the county's plan.

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

33 SEC. 2. Section 8347.4 of the Education Code is amended to  
34 read:

35 8347.4. (a) The county shall annually prepare and submit to  
36 the Legislature, the State Department of Social Services, and the  
37 department a report that summarizes the success of the county's  
38 plan, and the county's ability to maximize the use of funds and to  
39 improve and stabilize child care in the county.

1 (b) A report to be submitted pursuant to subdivision (a) shall  
2 be submitted in compliance with Section 9795 of the Government  
3 Code.

4 SEC. 3. Section 8347.6 of the Education Code is repealed.

5 SEC. 4. Section 70022 of the Education Code is amended to  
6 read:

7 70022. (a) (1) Subject to an available and sufficient  
8 appropriation, commencing with the 2014–15 academic year, an  
9 undergraduate student enrolled in the California State University  
10 or the University of California who meets the requirements of  
11 paragraph (2) is eligible for a scholarship award as described in  
12 that paragraph.

13 (2) Each academic year, except as provided in paragraphs (3)  
14 and (4), an eligible student shall receive a scholarship award in an  
15 amount that, combined with other federal, state, or institutionally  
16 administered student grants or fee waivers received by an eligible  
17 student, is up to 40 percent of the amount charged to that student  
18 in that academic year for mandatory systemwide tuition and fees,  
19 if all of the following requirements are met, to the satisfaction of  
20 the commission, each academic year:

21 (A) The student’s annual household income does not exceed  
22 one hundred fifty thousand dollars (\$150,000). For awards  
23 distributed for the 2016–17 academic year and subsequent  
24 academic years, the commission shall annually adjust the maximum  
25 income level set under this subparagraph in accordance with the  
26 percentage changes in the cost of living within the meaning of  
27 paragraph (1) of subdivision (e) of Section 8 of Article XIII B of  
28 the California Constitution. For purposes of this article, annual  
29 household income shall be calculated in a manner that is consistent  
30 with the requirements applicable to the  
31 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program  
32 (Chapter 1.7 (commencing with Section 69430)) and Section  
33 69506.

34 (B) Beginning with awards distributed in the 2015–16 academic  
35 year, the student’s household asset level shall not exceed one  
36 hundred fifty thousand dollars (\$150,000). For awards distributed  
37 in the 2016–17 academic year and subsequent academic years, the  
38 commission shall annually adjust the maximum household asset  
39 level set under this subparagraph in accordance with the percentage  
40 changes in the cost of living within the meaning of paragraph (1)

1 of subdivision (e) of Section 8 of Article XIII B of the California  
2 Constitution. For purposes of this article, student's household asset  
3 level shall be calculated in a manner that is consistent with the  
4 requirements applicable to the  
5 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program  
6 (Chapter 1.7 (commencing with Section 69430)) and Section  
7 69506.

8 (C) The student satisfies the eligibility requirements for a Cal  
9 Grant award pursuant to Section 69433.9, except that a student  
10 who is exempt from nonresident tuition under Section 68130.5  
11 shall not be required to satisfy the requirements of subdivision (a)  
12 of Section 69433.9.

13 (D) The student is exempt from paying nonresident tuition.

14 (E) The student completes and submits a Free Application for  
15 Federal Student Aid (FAFSA) application. The FAFSA must be  
16 submitted or postmarked by no later than March 2. If the student  
17 is not able to complete a FAFSA application, the student may  
18 satisfy this subparagraph by submitting an application determined  
19 by the commission to be equivalent to the FAFSA application for  
20 purposes of this article by March 2.

21 (F) The student makes a timely application or applications for  
22 all other federal, state, or institutionally administered grants or fee  
23 waivers for which the student is eligible.

24 (G) The student maintains satisfactory academic progress in a  
25 manner that is consistent with the requirements applicable to the  
26 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program  
27 pursuant to subdivision (m) of Section 69432.7.

28 (H) The student is pursuing his or her first undergraduate  
29 baccalaureate degree or has completed a baccalaureate degree and  
30 has been admitted to, and is enrolled in, a program of professional  
31 teacher preparation at an institution approved by the California  
32 Commission on Teacher Credentialing.

33 (I) The student is enrolled at least part time.

34 (3) (A) The percentage specified in paragraph (2) shall be  
35 reduced by 0.6-percent increments per one thousand dollars  
36 (\$1,000) of annual household income in excess of one hundred  
37 thousand dollars (\$100,000), to a minimum 10 percent of  
38 mandatory systemwide tuition and fees for an academic year,  
39 provided that no scholarship award shall be provided to a student  
40 with an annual household income exceeding one hundred fifty

1 thousand dollars (\$150,000). Beginning with award calculations  
2 for the 2016–17 academic year, and for subsequent academic years,  
3 the commission shall annually adjust the income levels specified  
4 in this subparagraph by the percentage change in the cost of living  
5 within the meaning of paragraph (1) of subdivision (e) of Section  
6 8 of Article XIII B of the California Constitution and shall adjust  
7 the incremental reduction accordingly to ensure that a minimum  
8 of 10 percent of mandatory systemwide tuition and fees for an  
9 academic year are awarded. This reduction shall be in addition to  
10 any reduction required by Section 70023.

11 (B) Notwithstanding subparagraph (A), for any student who  
12 qualifies for a scholarship award of at least one dollar (\$1), the  
13 minimum annual scholarship amount for full-time enrollment is  
14 ninety dollars (\$90).

15 (4) For the 2014–15, 2015–16, and 2016–17 academic years,  
16 the maximum amount of a student’s scholarship award shall be 35  
17 percent, 50 percent, and 75 percent, respectively, of the total  
18 scholarship award amount that the student would otherwise be  
19 eligible to receive.

20 (b) In order for students enrolled in their respective segments  
21 to remain eligible to receive a scholarship award under this article,  
22 the University of California and the California State University  
23 shall not supplant their respective institutional need-based grants  
24 with the funds provided for scholarships under this article, and  
25 shall maintain their funding amounts at a level that, at a minimum,  
26 is equal to the level maintained for undergraduate students during  
27 the 2013–14 academic year.

28 (c) The University of California and the California State  
29 University shall report on the implementation of this article as part  
30 of the report made pursuant to Section 66021.1.

31 (d) A Middle Class Scholarship Program award authorized  
32 pursuant to this article shall be defined as a full-time equivalent  
33 grant. An award to a part-time student shall be a fraction of a  
34 full-time grant, as determined by the proportionate amount charged  
35 for systemwide tuition and fees. A part-time student shall not be  
36 discriminated against in the selection of Middle Class Scholarship  
37 Program awards. For purposes of this section, “full-time student”  
38 and “part-time student” have the same meaning as specified in  
39 subdivision (f) of Section 69432.7.

1 SEC. 5. Section 89007.7 of the Education Code is amended to  
2 read:

3 89007.7. (a) The Legislature finds and declares that the  
4 California State University Early Start Program was adopted  
5 pursuant to Executive Order No. 1048 at the May 2010 meeting  
6 of the Trustees of the California State University (CSU) with the  
7 stated goal of facilitating a student's graduation through changes  
8 in policies on fulfilling entry-level proficiencies in mathematics  
9 and English.

10 (b) On January 1, 2014, and on or before January 1, 2018, the  
11 Legislative Analyst's Office, in consultation with CSU, shall  
12 submit a report to the Legislature detailing the impact of the CSU  
13 Early Start Program on student mathematics and English  
14 proficiency. The report to the Legislature required by this  
15 subdivision shall include, but not necessarily be limited to, all of  
16 the following:

17 (1) Information on how the CSU Early Start Program increases  
18 successful remediation rates as compared to the remediation rates  
19 that existed in the 2010–11 academic year.

20 (2) Information on how the CSU Early Start Program expedites  
21 the student remediation process, or otherwise reduces the length  
22 of time that students spend on remediation.

23 (3) Demographic information on participants in the CSU Early  
24 Start Program, including information relating to race or ethnicity,  
25 eligibility for financial aid, geographic origins, and other pertinent  
26 data.

27 (4) The number of enrollees in the CSU Early Start Program,  
28 counted statewide and by campus, including the number who  
29 eventually earned credit from the program.

30 (5) As observed one year after participating in the CSU Early  
31 Start Program, counted statewide and by campus, how many  
32 enrollees became proficient, how many did not remediate  
33 successfully, and how many were disenrolled from CSU.

34 (c) This section shall remain in effect only until July 1, 2018,  
35 and as of that date is repealed, unless a later enacted statute, that  
36 is enacted before January 1, 2019, deletes or extends that date.

37 SEC. 6. Section 89282 of the Education Code is amended to  
38 read:

39 89282. (a) The California State University (CSU) shall report  
40 on the Doctor of Nursing Practice degree pilot programs authorized

1 pursuant to Section 89281 and implemented under this article. The  
2 report shall be submitted, in writing, to the Legislature and the  
3 Governor on or before March 1, 2016. The report shall consider  
4 all of the following:

5 (1) The number of Doctor of Nursing Practice degree pilot  
6 programs implemented, including information regarding the  
7 number of applicants, admissions, enrollments, degree recipients,  
8 time-to-degree, and attrition.

9 (2) The extent to which the post-master's degree pilot programs  
10 are fulfilling identified state needs for training doctorally prepared  
11 nurses.

12 (3) Statewide supply and demand data that considers capacity  
13 at the University of California and in California's independent  
14 colleges and universities.

15 (4) Information on the place of employment of students and the  
16 subsequent job placement of graduates.

17 (5) Any available evidence on the effects that the graduates of  
18 the degree pilot program are having on addressing the state's  
19 nursing shortage.

20 (6) Pilot program costs and the fund sources that were used to  
21 finance the program, including a calculation of cost per degree  
22 awarded.

23 (7) The costs of the degree pilot program to students, the amount  
24 of financial aid offered, and student debt levels of graduates of the  
25 program.

26 (b) The Legislative Analyst's Office shall submit a report to the  
27 Legislature on or before January 1, 2017, that includes both of the  
28 following:

29 (1) The extent to which the degree pilot program is in  
30 compliance with the requirements of this article.

31 (2) Recommendations for the degree pilot program, including  
32 whether the program should be continued or modified.

33 (c) The CSU shall, by July 1, 2016, provide the Legislative  
34 Analyst's Office with data deemed necessary by that office for  
35 fulfilling the requirements of subdivision (b).

36 (d) (1) The reports submitted pursuant to subdivisions (a) and  
37 (b) shall be submitted in compliance with Section 9795 of the  
38 Government Code.

1 (2) This section shall remain in effect only until January 1, 2021,  
2 and as of that date is repealed, unless a later enacted statute, that  
3 is enacted before January 1, 2021, deletes or extends that date.

4 SEC. 7. (a) (1) The Director of the Office of Planning and  
5 Research, or his or her designee, shall administer a study to  
6 evaluate the admissions policies used by the University of  
7 California and the California State University and determine the  
8 number of students eligible for admission to each of these  
9 institutions of postsecondary education.

10 (2) The Director of the Office of Planning and Research, or his  
11 or her designee, shall convene a work group that includes, but is  
12 not necessarily limited to, representatives from the University of  
13 California, the California State University, the State Department  
14 of Education, the Department of Finance, and the Legislative  
15 Analyst's Office to consider the overall approach to the study.

16 (b) The study shall report the number of students eligible for  
17 admission to each segment by race, gender, ethnicity, region, and  
18 income, and shall include an analysis of the factors affecting  
19 eligibility for admission to the University of California and the  
20 California State University for each of those groups.

21 (c) The Director of the Office of Planning and Research, or his  
22 or her designee, shall submit a report summarizing the methodology  
23 and findings of the study to the Legislature and the Governor by  
24 December 1, 2016. The report shall describe whether the University  
25 of California and the California State University are admitting  
26 students as described in the Master Plan for Higher Education in  
27 California. The report shall also include a discussion of any  
28 adjustments the University of California and the California State  
29 University have made, or plan to make, to admissions policies in  
30 response to the findings of the study.

31 (d) The report to be submitted pursuant to subdivision (c) shall  
32 be submitted in compliance with Section 9795 of the Government  
33 Code.

34 (e) The Director of the Office of Planning and Research, or his  
35 or her designee, shall use the funding appropriated in Section 40  
36 of Chapter 22 of the Statutes of 2015 for its costs incurred pursuant  
37 to this section.

38 (f) The Director of the Office of Planning and Research, or his  
39 or her designee, may execute contracts to perform the study  
40 specified in this section. Any contracts executed for the study

1 specified in this section are not subject to the provisions of Article  
2 1 (commencing with Section 10100) of Chapter 1 of Part 2 of  
3 Division 2 of the Public Contract Code, or Article 6 (commencing  
4 with Section 999) of Chapter 6 of Division 4 of the Military and  
5 Veterans Code.

6 *SEC. 8. Section 58 of Chapter 13 of the Statutes of 2015 is*  
7 *amended to read:*

8 Sec. 58. (a) The sum of five hundred million dollars  
9 (\$500,000,000) is hereby appropriated from the General Fund to  
10 the Superintendent of Public Instruction for transfer to Section A  
11 of the State School Fund for the purposes set forth in subdivisions  
12 (b) and (c).

13 (b) Of the funds appropriated pursuant to this section, four  
14 hundred ninety million dollars (\$490,000,000) shall be apportioned  
15 to school districts, county offices of education, charter schools,  
16 and the state special schools in an equal amount per *full-time*  
17 *equivalent* certificated staff, *which shall not exceed the total*  
18 *certificated staff count for each eligible local educational agency,*  
19 *in the 2014–15 fiscal year. The Superintendent of Public Instruction*  
20 *shall make the calculations pursuant to this section using the data*  
21 *submitted through the California Longitudinal Pupil Achievement*  
22 *Data System.*

23 (1) A school district, county office of education, charter school,  
24 or state special school shall expend funds allocated pursuant to  
25 this subdivision for any of the following purposes:

26 (A) Beginning teacher and administrator support and mentoring,  
27 including, but not limited to, programs that support new teacher  
28 and administrator ability to teach or lead effectively and to meet  
29 induction requirements adopted by the Commission on Teacher  
30 Credentialing and pursuant to Section 44259 of the Education  
31 Code.

32 (B) Professional development, coaching, and support services  
33 for teachers who have been identified as needing improvement or  
34 additional support by local educational agencies.

35 (C) Professional development for teachers and administrators  
36 that is aligned to the state content standards adopted pursuant to  
37 Sections 51226, 60605, 60605.1, 60605.2, 60605.3, 60605.8,  
38 60605.11, 60605.85, as that section read on June 30, 2014, and  
39 60811.3, as that section read on June 30, 2013, of the Education  
40 Code.

1 (D) To promote educator quality and effectiveness, including,  
2 but not limited to, training on mentoring and coaching certificated  
3 staff and training certificated staff to support effective teaching  
4 and learning.

5 (2) As a condition of receiving funds allocated pursuant to this  
6 subdivision, a school district, county office of education, charter  
7 school, or state special school shall do both of the following:

8 (A) Develop and adopt a plan delineating how funds allocated  
9 pursuant to this section shall be spent. The plan shall be explained  
10 in a public meeting of the governing board of the school district,  
11 county board of education, or governing body of the charter school,  
12 before its adoption in a subsequent public meeting.

13 (B) On or before July 1, 2018, report detailed expenditure  
14 information to the State Department of Education, including, but  
15 not limited to, specific purchases made and the number of teachers,  
16 administrators, or paraprofessional educators that received  
17 professional development. The State Department of Education  
18 shall determine the format for this report.

19 (3) A school district, county office of education, charter school,  
20 or state special school may expend the funds received pursuant to  
21 this subdivision over the 2015–16 fiscal year, 2016–17 fiscal year,  
22 and the 2017–18 fiscal year. It is the intent of the Legislature that  
23 school districts, county offices of education, charter schools, and  
24 state special schools coordinate the use of any federal funds  
25 received under Title II of the federal No Child Left Behind Act of  
26 2001 (Public Law 107-110) to support teachers and administrators  
27 with the provisions of this subdivision.

28 (4) The State Department of Education shall summarize the  
29 information reported pursuant to paragraph (2) and shall submit  
30 the summary to the appropriate budget subcommittees and policy  
31 committees of the Legislature and to the Department of Finance  
32 on or before January 1, 2019.

33 (c) Of the funds appropriated pursuant to this section, ten million  
34 dollars (\$10,000,000) shall be provided to the K–12 High-Speed  
35 Network for the purpose of providing professional development  
36 and technical assistance to local educational agencies related to  
37 network management.

38 (1) Professional development and technical assistance shall  
39 include training of local educational agency staff, and development  
40 and distribution of best practices, guidance, and other elements of

1 technical support to implement network infrastructure within  
2 schools and to provide school districts with utilization information  
3 for optimal decisions.

4 (2) The K–12 High-Speed Network may partner with county  
5 offices of education or other local educational agencies to provide  
6 statewide access to training and resources.

7 (d) Funding apportioned pursuant to this section is subject to  
8 the annual audits required by Section 41020 of the Education Code.

9 (e) For purposes of making the computations required by Section  
10 8 of Article XVI of the California Constitution, the funds  
11 appropriated pursuant to this section shall be deemed to be  
12 “General Fund revenues appropriated for school districts,” as  
13 defined in subdivision (c) of Section 41202 of the Education Code,  
14 for the 2014–15 fiscal year, and included within the “total  
15 allocations to school districts and community college districts from  
16 General Fund proceeds of taxes appropriated pursuant to Article  
17 XIII B,” as defined in subdivision (e) of Section 41202 of the  
18 Education Code, for the 2014–15 fiscal year.

19 ~~SEC. 8.~~

20 SEC. 9. Item 6100-194-0001 of Section 2.00 of the Budget Act  
21 of 2015 is amended to read:

22

23 6100-194-0001—For local assistance, State Department of Ed-  
24 ucation, for allocation by the Superintendent of Public In-  
25 struction to school districts, county offices of education,  
26 and other agencies for child care and development pro-  
27 grams included in this item, in lieu of the amount that oth-  
28 erwise would be appropriated pursuant to any other  
29 statute..... 941,630,000

30 Schedule:

- 31 (1) 5210026-General Child Develop-
- 32 ment..... 265,938,000
- 33 (2) 5210028-Migrant Day Care..... 23,881,000
- 34 (3) 5210030-Alternative Payment..... 80,453,000
- 35 (4) 5210032-Resource and Referral..... 18,878,000
- 36 (5) 5210034-CalWORKs Stage 2..... 404,229,000
- 37 (6) 5210036-CalWORKs Stage 3..... 116,733,000
- 38 (7) 5210038-Accounts Payable..... 4,000,000
- 39 (8) 5210040-Child Care for Children with
- 40 Severe Disabilities..... 1,635,000

1	(9) 5210042-California Child Care Initia-	
2	tive.....	225,000
3	(10) 5210044-Quality Improvement.....	1,461,000
4	(11) 5210046-Local Planning Councils.....	34,000
5	(12) 5210010- Child Development, Quality	
6	Rating Improvement System Grants.....	24,163,000

- 7 Provisions:
- 8 1. Funds in Schedules (4), (9), (10), and (11) shall be al-  
9 located to meet federal requirements to improve the  
10 quality of child care and shall be used in accordance  
11 with the approved California state plan for the federal  
12 Child Care and Development Fund that is developed  
13 pursuant to the requirements under Section 8206.1 of  
14 the Education Code.
  - 15 2. Nonfederal funds appropriated in this item which have  
16 been budgeted to meet the state’s Temporary Assis-  
17 tance for Needy Families maintenance-of-effort require-  
18 ment established pursuant to the federal Personal Re-  
19 sponsibility and Work Opportunity Reconciliation Act  
20 of 1996 (P.L. 104-193) may not be expended in any  
21 way that would cause their disqualification as a feder-  
22 ally allowable maintenance-of-effort expenditure.
  - 23 3. Notwithstanding any other provision of law, funds in  
24 Schedule (7) are available for accounts payable for  
25 alternative payment programs for actual and allowable  
26 costs incurred for additional services, pursuant to  
27 Section 8222.1 of the Education Code. The State De-  
28 partment of Education shall give priority for the allo-  
29 cation of these funds for accounts payable.
  - 30 4. The amounts provided in Schedules (1), (2), (3), and  
31 (8) of this item reflect an adjustment to the base  
32 funding of 0.37 percent for an increase in the popula-  
33 tion of 0–4 year-olds.
  - 34 5. The maximum standard reimbursement rate shall not  
35 exceed \$38.29 per day for general child care programs.  
36 This reflects a 1.02 percent cost-of-living adjustment  
37 and a 5 percent rate increase to the standard reimburse-  
38 ment rate. The maximum standard reimbursement rate  
39 shall not exceed \$38.53 for full-day state preschool  
40 programs. Furthermore, the migrant child care program

1 shall adhere to the maximum standard reimbursement  
2 rates as prescribed for the general child care programs.  
3 All other rates and adjustment factors shall conform.  
4 6. (a) Alternative payment child care programs shall be  
5 subject to the rate ceilings established in the Re-  
6 gional Market Rate Survey of California child  
7 care and development providers for provider  
8 payments. When approved pursuant to Section  
9 8447 of the Education Code, any changes to the  
10 market rate limits, adjustment factors, or regions  
11 shall be utilized by the State Department of Edu-  
12 cation, the California Community Colleges, and  
13 the State Department of Social Services in various  
14 programs under the jurisdiction of these depart-  
15 ments.  
16 (b) Until October 1, 2015, the funds appropriated in  
17 this item for the cost of licensed child care ser-  
18 vices provided through alternative payment or  
19 voucher programs, including those provided under  
20 Article 3 (commencing with Section 8220) and  
21 Article 15.5 (commencing with Section 8350) of  
22 Chapter 2 of Part 6 of Division 1 of Title 1 of the  
23 Education Code, shall be used only to reimburse  
24 child care costs up to the deflated 85th percentile  
25 of the rates charged by providers offering the  
26 same type of child care for the same age child in  
27 that region, based on the 2009 Regional Market  
28 Rate Survey data. The 85th percentile of rates  
29 based on the 2009 Regional Market Rate Survey  
30 shall be reduced by 10.11 percent, pursuant to  
31 Section 8447 of the Education Code. If the re-  
32 duced rate schedule reimbursement amount for a  
33 particular county rate is less than the reimburse-  
34 ment amount provided for the same rate prior to  
35 January 1, 2015, then the State Department of  
36 Education shall use the rate schedule from the  
37 2005 Regional Market Rate Survey for that partic-  
38 ular reimbursement amount. As of October 1,  
39 2015, the funds appropriated in this item for the  
40 cost of licensed child care services provided

1 through alternative payment or voucher programs,  
 2 including those provided under Article 3 (com-  
 3 mencing with Section 8220) and Article 15.5  
 4 (commencing with Section 8350) of Chapter 2 of  
 5 Part 6 of Division 1 of Title 1 of the Education  
 6 Code, shall be used only to reimburse child care  
 7 costs up to 104.5 percent of the deficated 85th  
 8 percentile of the rates charged by providers offer-  
 9 ing the same type of child care for the same age  
 10 child in that region, based on the 2009 Regional  
 11 Market Rate Survey data. The 85th percentile of  
 12 rates based on the 2009 Regional Market Rate  
 13 Survey shall be reduced by 10.11 percent, pur-  
 14 suant to Section 8447 of the Education Code. If  
 15 the reduced rate schedule reimbursement amount  
 16 for a particular county rate is less than the reim-  
 17 bursement amount provided for the same rate  
 18 prior to January 1, 2015, then the State Depart-  
 19 ment of Education shall use 104.5 percent of the  
 20 rate schedule from the 2005 Regional Market Rate  
 21 Survey for that particular reimbursement amount

(c) 22 Until October 1, 2015, the funds appropriated in  
 23 this item for the cost of license-exempt child care  
 24 services provided through alternative payment or  
 25 voucher programs, including those provided under  
 26 Article 3 (commencing with Section 8220) and  
 27 Article 15.5 (commencing with Section 8350) of  
 28 Chapter 2 of Part 6 of Division 1 of Title 1 of the  
 29 Education Code, shall be used only to reimburse  
 30 license-exempt child care costs up to 60 percent  
 31 of the regional reimbursement rate limits estab-  
 32 lished for family child care homes. As of October  
 33 1, 2015, the funds appropriated in this item for  
 34 the cost of license-exempt child care services  
 35 provided through alternative payment or voucher  
 36 programs, including those provided under Article  
 37 3 (commencing with Section 8220) and Article  
 38 15.5 (commencing with Section 8350) of Chapter  
 39 2 of Part 6 of Division 1 of Title 1 of the Educa-  
 40 tion Code, shall be used only to reimburse license-

1 exempt child care costs up to 65 percent of the  
2 regional reimbursement rate limits established for  
3 family child care homes.

4 7. (a) The State Department of Education (SDE) shall  
5 conduct monthly analyses of CalWORKs Stage  
6 2 and Stage 3 caseloads and expenditures and  
7 adjust agency contract maximum reimbursement  
8 amounts and allocations as necessary to ensure  
9 funds are distributed proportionally to need. The  
10 SDE shall share monthly caseload analyses with  
11 the State Department of Social Services (DSS).

12 (b) The SDE shall provide quarterly information re-  
13 garding the sufficiency of funding for Stage 2 and  
14 Stage 3 to DSS. The SDE shall provide caseloads,  
15 expenditures, allocations, unit costs, family fees,  
16 and other key variables and assumptions used in  
17 determining the sufficiency of state allocations.  
18 Detailed backup by month and on a county-by-  
19 county basis shall be provided to the DSS at least  
20 on a quarterly basis for comparisons with Stage  
21 1 trends.

22 (c) By September 30 and March 30 of each year, the  
23 SDE shall ensure that detailed caseload and expend-  
24 iture data, through the most recent period for  
25 Stage 2 and Stage 3 along with all relevant assump-  
26 tions, is provided to DSS to facilitate budget de-  
27 velopment. The detailed data provided shall in-  
28 clude actual and projected monthly caseload from  
29 Stage 2 scheduled to time off of their transitional  
30 child care benefit from the last actual month re-  
31 ported by agencies through the next two fiscal  
32 years as well as local attrition experience. DSS  
33 shall utilize data provided by the SDE, including  
34 key variables from the prior fiscal year and the  
35 first two months of the current fiscal year, to  
36 provide coordinated estimates in November of  
37 each year for each of the three stages of care for  
38 preparation of the Governor's Budget, and shall  
39 utilize data from at least the first two quarters of  
40 the current fiscal year, and any additional monthly

- 1 data as they become available for preparation of  
 2 the May Revision. The DSS shall share its assump-  
 3 tions and methodology with the SDE in the  
 4 preparation of the Governor’s Budget.
- 5 (d) The SDE shall coordinate with the DSS to identify  
 6 annual general subsidized child care program ex-  
 7 penditures for Temporary Assistance for Needy  
 8 Families-eligible children. The SDE shall modify  
 9 existing reporting forms as necessary to capture  
 10 this data.
- 11 (e) The SDE shall provide to the DSS, upon request,  
 12 access to the information and data elements nec-  
 13 essary to comply with federal reporting require-  
 14 ments and any other information deemed neces-  
 15 sary to improve estimation of child care budgeting  
 16 needs.
- 17 (f) On or before January 30, 2016, following consul-  
 18 tation with the DSS, the SDE shall determine the  
 19 adequacy of funding appropriated by the Legisla-  
 20 ture for CalWORKs Stage 2 and Stage 3. If the  
 21 SDE determines that the Stage 2 appropriation  
 22 exceeds the current year caseload needs and the  
 23 Stage 3 appropriation is not sufficient to fully  
 24 fund its caseload need, then the SDE shall submit  
 25 a request to the Department of Finance to transfer  
 26 the excess funds from Schedule (5), CalWORKs  
 27 Stage 2 child care to Schedule (6), CalWORKs  
 28 Stage 3 child care. Notwithstanding Section 26.00  
 29 or any other provision of law, the Department of  
 30 Finance may, at its discretion, approve such a  
 31 transfer.
- 32 (g) Notwithstanding any other provision of law or  
 33 any other sections of this act, the Department of  
 34 Finance may augment the appropriation for Cal-  
 35 WORKs Stage 3 if the estimate of expenditures,  
 36 as determined by the SDE, following consultation  
 37 with the DSS, will exceed the expenditures autho-  
 38 rized in Schedule (6). The Department of Finance  
 39 shall report any augmentation pursuant to this  
 40 paragraph to the Joint Legislative Budget Commit-

- 1           tee. At the time the report is made, the amount of  
2           the appropriation made in Schedule (6) shall be  
3           increased by the amount of the augmentation.
- 4       (h) The Director of Finance may, pursuant to subdivi-  
5           sions (f) and (g) of Provision 7, authorize the  
6           augmentation of the amount available for expen-  
7           diture in Schedule (6) by making a transfer from  
8           Schedule (5). An augmentation may be authorized  
9           not sooner than 30 days after notification in writ-  
10          ing of the necessity to exceed the limitations is  
11          provided to the Joint Legislative Budget Commit-  
12          tee, or whatever lesser time the chairperson of the  
13          joint committee may determine. Any request made  
14          by the SDE to augment the CalWORKs Stage 3  
15          appropriation shall be approved only in order to  
16          cover increases in costs that are consistent with  
17          assumptions of this act. This provision shall not  
18          be construed to treat Stage 3 as an entitlement.
- 19       8. Notwithstanding any other provision of law, the funds  
20          in Schedule (6) are reserved exclusively for continuing  
21          child care for the following: (a) former CalWORKs  
22          families who are working, have left cash aid, and have  
23          exhausted their two-year eligibility for transitional  
24          services in either Stage 1 or Stage 2 pursuant to subdivi-  
25          sion (c) of Section 8351 or Section 8353 of the Edu-  
26          cation Code, respectively, but still meet eligibility re-  
27          quirements for receipt of subsidized child care ser-  
28          vices, and (b) families who received lump-sum diver-  
29          sion payments or diversion services under Section  
30          11266.5 of the Welfare and Institutions Code and have  
31          spent two years in Stage 2 off of cash aid, but still  
32          meet eligibility requirements for receipt of subsidized  
33          child care services.
- 34       9. Notwithstanding any other provision of law, each local  
35          planning council receiving funds appropriated in  
36          Schedule (11) shall meet the requirements of Section  
37          8499.5 of the Education Code to the extent feasible  
38          and to the extent data is readily accessible.
- 39       10. Notwithstanding any other provision of law, the imple-  
40          mentation of Provision 12 is not subject to the appeal

- 1 and resolution procedures for agencies that contract  
 2 with the State Department of Education for the provi-  
 3 sion of child care services or the due process require-  
 4 ments afforded to families that are denied services  
 5 specified in Chapter 19 (commencing with Section  
 6 18000) of Division 1 of Title 5 of the California Code  
 7 of Regulations.
- 8 11. Notwithstanding the rulemaking provisions of the  
 9 Administrative Procedure Act (Chapter 3.5 (commenc-  
 10 ing with Section 11340) of Part 1 of Division 3 of Title  
 11 2 of the Government Code), the State Department of  
 12 Education may implement Provision 12 through  
 13 management bulletins or similar instructions.
- 14 12. Notwithstanding any other provision of law, families  
 15 shall be disenrolled from subsidized child care services  
 16 consistent with the priorities for services specified in  
 17 subdivision (b) of Section 8263 of the Education Code.  
 18 Families shall be disenrolled in the following order:  
 19 (a) families with the highest income below 70 percent  
 20 of the State Median Income (SMI) adjusted for family  
 21 size, (b) of families with the same income level, those  
 22 that have been receiving child care services for the  
 23 longest period of time, (c) of families with the same  
 24 income level, those that have a child with exceptional  
 25 needs, and (d) families with children who are receiving  
 26 child protective services or are at risk of being neglect-  
 27 ed or abused, regardless of family income.
- 28
- 29 14. Of the amount appropriated in Schedule (3),  
 30 \$52,627,000 is available to provide 6,800 voucher  
 31 child care slots. The Department shall allocate these  
 32 slots based on the existing distribution of alternative  
 33 payment program contracts.
- 34
- 35 16. Of the amount appropriated in Schedule (1),  
 36 \$3,471,000 is available to provide wraparound child  
 37 care for 1,200 full-day state preschool slots beginning  
 38 January 1, 2016.
- 39 17. The amount provided in Schedule (12) is available for  
 40 Quality Rating and Improvement System (QRIS)

1 consortia to provide training, technical assistance, and  
 2 resources to help infant and toddler child care  
 3 providers meet a higher tier of quality as determined  
 4 by their local QRIS matrix. No more than 20 percent  
 5 of the funding awarded to a consortia may be allocated  
 6 directly to child care providers. Each county participat-  
 7 ing in a QRIS consortia and in good standing with the  
 8 California Department of Education (CDE) shall re-  
 9 ceive a minimum grant amount of \$25,000 for this  
 10 purpose, with remaining funds distributed to consortia  
 11 based on their proportion of contracts with CDE for  
 12 infant and toddler child care and development.  
 13 Notwithstanding any other provision of law, the funds  
 14 appropriated in this schedule shall be available for  
 15 encumbrance until June 30, 2017.

16  
17 ~~SEC. 9.~~

18 *SEC. 10.* Item 6100-194-0890 of Section 2.00 of the Budget  
19 Act of 2015 is amended to read:

20  
21 6100-194-0890—For local assistance, State Department of Ed-  
22 ucation, payable from the Federal Trust Fund..... 582,852,000

23 Schedule:

- 24 (1) 5210026-General Child Develop-
- 25 ment..... 184,227,000
- 26 (2) 5210028-Migrant Day Care..... 5,411,000
- 27 (3) 5210030-Alternative Payment..... 170,199,000
- 28 (4) 5210034-CalWORKs Stage 2..... 10,000,000
- 29 (5) 5210036-CalWORKs Stage 3..... 161,489,000
- 30 (6) 5210044-Quality Improvement..... 48,207,000
- 31 (7) 5210046-Local Planning Councils..... 3,319,000

32 Provisions:

- 33 1. Notwithstanding any other provision of law, the funds
- 34 appropriated in this item, to the extent permissible
- 35 under federal law, are subject to Section 8262 of the
- 36 Education Code.
- 37 2. Of the funds appropriated in this item, \$10,000,000 is
- 38 from the transfer of funds, pursuant to Item 5180-402,
- 39 from the federal Temporary Assistance for Needy
- 40 Families (TANF) Block Grant administered by the

- 1 State Department of Social Services to the federal  
2 Child Care and Development Block Grant for Cal-  
3 WORKs Stage 2 child care.
- 4 3. Funds in Schedules (6) and (7) shall be allocated to  
5 meet federal requirements to improve the quality of  
6 child care and shall be used in accordance with the  
7 approved California state plan for the federal Child  
8 Care and Development Fund that is developed pursuant  
9 to the requirements under Section 8206.1 of the Edu-  
10 cation Code.
- 11 4. Notwithstanding any other provision of law, each local  
12 planning council receiving funds appropriated in  
13 Schedule (7) shall meet the requirements of Section  
14 8499.5 of the Education Code to the extent feasible  
15 and to the extent data is readily accessible.
- 16 5. Of the funds appropriated in this item, \$18,469,000 is  
17 available on a one-time basis for CalWORKs Stage 3  
18 child care from federal Child Care and Development  
19 Block Grant funds appropriated prior to the 2015–16  
20 federal fiscal year.
- 21 6. (a) Of the funds appropriated in Schedule (6) of this  
22 item, \$2,892,000 is available on a one-time basis for  
23 quality activities from federal Child Care and Devel-  
24 opment Block Grant funds appropriated prior to the  
25 2015–16 federal fiscal year. The State Department of  
26 Education shall allocate these funds pursuant to federal  
27 law and reflecting the following priorities:
- 28 (1) First, to provide one-time resources to meet  
29 the requirements of the 2014 reauthorization  
30 of the federal Child Care and Development  
31 Block Grant.
- 32 (2) Second, to support the retention and training  
33 of teachers and staff working in state and  
34 federally subsidized child care programs.
- 35 (b) Funds appropriated in Schedule (6) of this item  
36 shall not be expended to develop Feasibility Study  
37 Reports or to support new information technology  
38 projects, unless approved by the Department of  
39 Finance and not sooner than 30 days after notifi-

1 cation in writing to the Chairperson of the Joint  
2 Legislative Budget Committee.

- 3 7. Of the funds appropriated in Schedule (6) of this item,  
4 \$300,000 is available on a one-time basis for the Re-  
5 source and Referral Network from federal Child Care  
6 and Development Block Grant funds appropriated  
7 prior to the 2015–16 federal fiscal year. It is the intent  
8 of the Legislature that this funding may support data  
9 collection efficiency.

10  
11 ~~SEC. 10.~~

12 *SEC. 11.* In regard to ~~Section~~ *Sections* 1 to 3, inclusive, of this  
13 act, the Legislature finds and declares that a special law is  
14 necessary and that a general law cannot be made applicable within  
15 the meaning of Section 16 of Article IV of the California  
16 Constitution because of the unique circumstances concerning the  
17 County of San Mateo.

18 ~~SEC. 11.~~

19 *SEC. 12.* This act is a bill providing for appropriations related  
20 to the Budget Bill within the meaning of subdivision (e) of Section  
21 12 of Article IV of the California Constitution, has been identified  
22 as related to the budget in the Budget Bill, and shall take effect  
23 immediately.