

Assembly Bill No. 2368

CHAPTER 574

An act to add and repeal Article 15.1 (commencing with Section 8332) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, relating to child care and development services.

[Approved by Governor September 24, 2016. Filed with
Secretary of State September 24, 2016.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2368, Gordon. Child care and development services: individualized county child care subsidy plan: County of Santa Clara.

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 Alameda, as a pilot project, to develop an individualized county child care subsidy plan, as provided.

This bill would authorize, until January 1, 2022, the County of Santa Clara to develop and implement an individualized county child care subsidy plan, as specified. The bill would require the plan to be submitted to the local planning council and the Santa Clara County Board of Supervisors for approval, as specified. The bill would require the Early Education and Support Division of the State Department of Education to review and approve or disapprove the plan and any subsequent modifications to the plan. The bill would require the County of Santa Clara to annually prepare and submit to the Legislature, the State Department of Social Services, and the State Department of Education a report that contains specified information relating to the success of the county's plan.

This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Santa Clara.

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

SECTION 1. It is the intent of the Legislature to build a stable, comprehensive, and adequately funded high-quality early learning and educational support system for children from birth to five years of age, inclusive, with alignment and integration into the K–12 education system by strategically using state and federal funds, and engaging all early care

and education stakeholders, including K–12 education stakeholders, in an effort to provide access to affordable, high-quality services supported by adequate rates, integrated data systems, and a strong infrastructure that supports children and the educators that serve them.

SEC. 2. Article 15.1 (commencing with Section 8332) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, to read:

Article 15.1. Individualized County of Santa Clara Child Care Subsidy Plan

8332. The County of Santa Clara may, as a pilot project, develop and implement an individualized county child care subsidy plan. The plan shall ensure that child care subsidies received by the County of Santa Clara are used to address local needs, conditions, and priorities of working families in the community.

8332.1. For purposes of this article, “county” means the County of Santa Clara.

8332.2. (a) For purposes of this article, “plan” means an individualized county child care subsidy plan developed and approved under the pilot project described in Section 8332, which includes all of the following:

(1) An assessment to identify the county’s goals for its subsidized child care system. The assessment shall examine whether the current structure of subsidized child care funding adequately supports working families in the county and whether the county’s child care goals coincide with the state’s requirements for funding, eligibility, priority, and reimbursement. The assessment shall also identify barriers in the state’s child care subsidy system that inhibit the county from meeting its child care goals. In conducting the assessment, the county shall consider all of the following:

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

(B) The current supply of available subsidized child care.

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

(D) The county’s self-sufficiency income level.

(E) Income eligibility levels for subsidized child care.

(F) Family fees.

(G) The cost of providing child care.

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

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

(J) Trends in the county’s unemployment rate and housing affordability index.

(2) (A) Development of a local policy to eliminate state-imposed regulatory barriers to the county's achievement of its desired outcomes for subsidized child care.

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

(i) Prioritize lowest income families first.

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

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

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

(v) (I) Authorize an agency that provides child care and development services in the county through a contract with the department and either provides direct services or contracts with licensed providers or centers to apply to the department to amend existing contracts in order to benefit from the local policy.

(II) The department shall approve an application to amend an existing contract if the plan is modified pursuant to Section 8332.3.

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

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

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

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

(iii) Reimbursement rates.

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

(3) Recognition that all funding sources utilized by direct service contractors that provide child care and development services in the county and contractors that contract with licensed providers and centers are eligible to be included in the county's plan.

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

(b) Nothing in this section shall be construed to permit the county to change the regional market rate survey results for the county.

8332.3. (a) The plan shall be submitted to the local planning council, as defined in subdivision (g) of Section 8499, for approval. Upon approval

of the plan by the local planning council, the Board of Supervisors of the County of Santa Clara shall hold at least one public hearing on the plan. Following the hearing, if the board votes in favor of the plan, the plan shall be submitted to the Early Education and Support Division of the department for review.

(b) Within 30 days of receiving the plan, the Early Education and Support Division shall review and either approve or disapprove the plan.

(c) Within 30 days of receiving a modification to the plan, the Early Education and Support Division shall review and either approve or disapprove that modification to the plan.

(d) The Early Education and Support Division may disapprove only those portions of modifications to the plan that are not in conformance with this article or that are in conflict with federal law.

8332.4. The county shall, by the end of the first fiscal year of operation under the approved child care subsidy plan, demonstrate, in the report required pursuant to Section 8332.5, an increase in the aggregate days a child is enrolled in child care in the county as compared to the enrollment in the final quarter of the 2015–16 fiscal year.

8332.5. (a) The county shall annually prepare and submit to the Legislature, the State Department of Social Services, and the department a report that summarizes the success of the county's plan, and the county's ability to maximize the use of funds and to improve and stabilize child care in the county.

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

8332.6. A participating contractor shall receive an increase or decrease in funding that the contractor would have received if the contractor had not participated in the plan.

8332.7. This article shall remain in effect only until January 1, 2022, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2022, deletes or extends that date.

SEC. 3. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances in the County of Santa Clara. Existing law does not reflect the fiscal reality of living in the County of Santa Clara, a high-cost county where the cost of living is well beyond the state median level, resulting in reduced access to quality child care. In recognition of the unintended consequences of living in a high-cost county, this act is necessary to provide children and families in the County of Santa Clara proper access to child care through an individualized county child care subsidy plan.