

AMENDED IN ASSEMBLY AUGUST 24, 2015

SENATE BILL

No. 103

Introduced by Committee on Budget and Fiscal Review

January 9, 2015

~~An act relating to the Budget Act of 2015.~~ *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, 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

SB 103, as amended, Committee on Budget and Fiscal Review.
~~Budget Act of 2015.~~ *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) 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) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2015.~~

Vote: majority. Appropriation: ~~no~~ yes. Fiscal committee: ~~no~~ 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 ~~under the pilot project~~ as described in Section 8347,
6 which includes all of the following:

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

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

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

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

- 1 (4) The county’s self-sufficiency income level.
- 2 (5) Income eligibility levels for subsidized child care.
- 3 (6) Family fees.
- 4 (7) The cost of providing child care.
- 5 (8) The regional market rates, as established by the department,
- 6 for different types of child care.
- 7 (9) The standard reimbursement rate or state per diem for centers
- 8 operating under contracts with the department.
- 9 (10) Trends in the county’s unemployment rate and housing
- 10 affordability index.
- 11 (b) (1) Development of a local policy to eliminate state-imposed
- 12 regulatory barriers to the county’s achievement of its desired
- 13 outcomes for subsidized child care.
- 14 (2) The local policy shall do all of the following:
- 15 (A) Prioritize lowest income families first.
- 16 (B) Follow the family fee schedule established pursuant to
- 17 ~~subdivision (g) of Section 8263~~ 8273 for those families that are
- 18 income eligible, as defined by Section 8263.1.
- 19 (C) Meet local goals that are consistent with the state’s child
- 20 care goals.
- 21 (D) Identify existing policies that would be affected by the
- 22 county’s plan.
- 23 (E) (i) Authorize any agency that provides child care and
- 24 development services in the county through a contract with the
- 25 department to apply to the department to amend existing contracts
- 26 in order to benefit from the local policy.
- 27 (ii) The department shall approve an application to amend an
- 28 existing contract if the plan is modified pursuant to Section 8347.3.
- 29 (iii) The contract of a department contractor who does not elect
- 30 to request an amendment to its contract remains operative and
- 31 enforceable.
- 32 (3) The local policy may supersede state law concerning child
- 33 care subsidy programs with regard only to the following factors:
- 34 (A) Eligibility criteria, including, but not limited to, age, family
- 35 size, time limits, income level, inclusion of former and current
- 36 CalWORKs participants, and special needs considerations, except
- 37 that the local policy ~~may~~ shall not deny or reduce eligibility of a
- 38 family that qualifies for child care pursuant to Section 8353. Under
- 39 the local policy, a family that qualifies for child care pursuant to
- 40 Section 8354 shall be treated for purposes of eligibility and fees

1 in the same manner as a family that qualifies for subsidized child
 2 care on another basis pursuant to the local policy.

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

6 (C) Reimbursement rates.

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

12 (c) Recognition that all funding sources utilized by direct service
 13 contractors that provide child care and development services in
 14 the county are eligible to be included in the county’s plan.

15 (d) Establishment of measurable outcomes to evaluate the
 16 success of the plan to achieve the county’s child care goals, and
 17 to overcome any barriers identified in the state’s child care subsidy
 18 system.

19 *SEC. 2. Section 8347.4 of the Education Code is amended to*
 20 *read:*

21 8347.4. (a) The county shall annually prepare and submit to
 22 the Legislature, the State Department of Social Services, and the
 23 department a report that summarizes the success of the county’s
 24 plan, and the county’s ability to maximize the use of funds and to
 25 improve and stabilize child care in the county.

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

29 ~~(2)~~

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

33 *SEC. 3. Section 8347.6 of the Education Code is repealed.*

34 ~~8347.6. This article shall become inoperative on July 1, 2018,~~
 35 ~~and, as of January 1, 2019, is repealed, unless a later enacted~~
 36 ~~statute, that becomes operative on or before January 1, 2019,~~
 37 ~~deletes or extends the dates on which it becomes inoperative and~~
 38 ~~is repealed.~~

39 *SEC. 4. Section 70022 of the Education Code is amended to*
 40 *read:*

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

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

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

28 (B) Beginning with awards distributed in the 2015–16 academic
29 year, the student’s household asset level shall not exceed one
30 hundred fifty thousand dollars (\$150,000). For awards distributed
31 in the 2016–17 academic year and subsequent academic years, the
32 commission shall annually adjust the maximum household asset
33 level set under this subparagraph in accordance with the percentage
34 changes in the cost of living within the meaning of paragraph (1)
35 of subdivision (e) of Section 8 of Article XIII B of the California
36 Constitution. For purposes of this article, student’s household asset
37 level shall be calculated in a manner that is consistent with the
38 requirements applicable to the
39 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program

1 (Chapter 1.7 (commencing with Section 69430)) and Section
2 69506.

3 (C) The student satisfies the eligibility requirements for a Cal
4 Grant award pursuant to Section 69433.9, except that a student
5 who is exempt from nonresident tuition under Section 68130.5
6 shall not be required to satisfy the requirements of subdivision (a)
7 of Section 69433.9.

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

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

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

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

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

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

29 (3) (A) The percentage specified in paragraph (2) shall be
30 reduced by 0.6-percent increments per one thousand dollars
31 (\$1,000) of annual household income in excess of one hundred
32 thousand dollars (\$100,000), to a minimum 10 percent of
33 mandatory systemwide tuition and fees for an academic year,
34 provided that no scholarship award shall be provided to a student
35 with an annual household income exceeding one hundred fifty
36 thousand dollars (\$150,000). *Beginning with award calculations*
37 *for the 2016–17 academic year, and for subsequent academic*
38 *years, the commission shall annually adjust the income levels*
39 *specified in this subparagraph by the percentage change in the*
40 *cost of living within the meaning of paragraph (1) of subdivision*

1 (e) of Section 8 of Article XIII B of the California Constitution
2 and shall adjust the incremental reduction accordingly to ensure
3 that a minimum of 10 percent of mandatory systemwide tuition
4 and fees for an academic year are awarded. This reduction shall
5 be in addition to any reduction required by ~~subdivision (e) of~~
6 Section 70023.

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

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

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

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

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

36 *SEC. 5. Section 89007.7 of the Education Code is amended to*
37 *read:*

38 89007.7. (a) The Legislature finds and declares that the
39 California State University Early Start Program was adopted
40 pursuant to Executive Order No. 1048 at the May 2010 meeting

1 of the Trustees of the California State University (CSU) with the
2 stated goal of facilitating a student's graduation through changes
3 in policies on fulfilling entry-level proficiencies in mathematics
4 and English.

5 (b) ~~Commencing on~~ On January 1, 2014, and on or before July
6 ~~1 every even-numbered year thereafter,~~ January 1, 2018, the
7 Legislative Analyst's Office, in consultation with CSU, shall
8 submit a report to the Legislature detailing the impact of the CSU
9 Early Start Program on student mathematics and English
10 proficiency. The report to the Legislature required by this
11 subdivision shall include, but not necessarily be limited to, all of
12 the following:

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

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

19 (3) Demographic information on participants in the CSU Early
20 Start Program, including information relating to race or ethnicity,
21 eligibility for financial aid, geographic origins, and other pertinent
22 data.

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

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

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

33 *SEC. 6. Section 89282 of the Education Code is amended to*
34 *read:*

35 89282. (a) The California State University—(CSU),—the
36 Legislative Analyst's Office, and the Department of Finance (CSU)
37 shall jointly conduct a statewide evaluation of CSU *report on the*
38 Doctor of Nursing Practice degree pilot programs authorized
39 pursuant to Section 89281 and implemented under this article. The
40 ~~results of the evaluation report~~ shall be reported, *submitted*, in

1 writing, to the Legislature and the Governor on or before ~~January~~
2 ~~March 1, 2017.~~ 2016. The ~~evaluation~~ *report* shall consider all of
3 the following:

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

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

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

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

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

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

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

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

28 ~~(8)~~

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

31 ~~(9)~~

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

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

37 ~~(b)~~

38 (d) (1) ~~A report to be~~ *The reports* submitted pursuant to
39 ~~subdivision~~ *subdivisions(a) and (b)* shall be submitted in
40 compliance with Section 9795 of the 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*
23 *methodology and findings of the study to the Legislature and the*
24 *Governor by December 1, 2016. The report shall describe whether*
25 *the University of California and the California State University*
26 *are admitting students as described in the Master Plan for Higher*
27 *Education in California. The report shall also include a discussion*
28 *of any adjustments the University of California and the California*
29 *State University have made, or plan to make, to admissions policies*
30 *in 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. Item 6100-194-0001 of Section 2.00 of the Budget Act*
7 *of 2015 is amended to read:*

8
9 6100-194-0001—For local assistance, State Department of Ed-
10 ucation, for allocation by the Superintendent of Public In-
11 struction to school districts, county offices of education,
12 and other agencies for child care and development pro-
13 grams included in this item, in lieu of the amount that oth-
14 erwise would be appropriated pursuant to any other
15 statute..... 941,630,000

16 Schedule:

- 17 (1) 5210026-General Child Develop-
18 ment..... ~~215,098,000~~
19 265,938,000
- 20 (2) 5210028-Migrant Day Care..... 23,881,000
- 21 (3) 5210030-Alternative Payment..... ~~105,873,000~~
22 80,453,000
- 23 (4) 5210032-Resource and Referral..... 18,878,000
- 24 (5) 5210034-CalWORKs Stage 2..... 404,229,000
- 25 (6) 5210036-CalWORKs Stage 3..... ~~142,153,000~~
26 116,733,000
- 27 (7) 5210038-Accounts Payable..... 4,000,000
- 28 (8) 5210040-Child Care for Children with
29 Severe Disabilities..... 1,635,000
- 30 (9) 5210042-California Child Care Initia-
31 tive..... 225,000
- 32 (10) 5210044-Quality Improvement..... 1,461,000
- 33 (11) 5210046-Local Planning Councils..... 34,000
- 34 (12) 5210010- Child Development, Quality
35 Rating Improvement System Grants..... 24,163,000

36 Provisions:

- 37 1. Funds in Schedules (4), (9), (10), and (11) shall be al-
38 located to meet federal requirements to improve the
39 quality of child care and shall be used in accordance
40 with the approved California state plan for the federal

- 1 Child Care and Development Fund that is developed
- 2 pursuant to the requirements under Section 8206.1 of
- 3 the Education Code.
- 4 2. Nonfederal funds appropriated in this item which have
- 5 been budgeted to meet the state’s Temporary Assis-
- 6 tance for Needy Families maintenance-of-effort require-
- 7 ment established pursuant to the federal Personal Re-
- 8 sponsibility and Work Opportunity Reconciliation Act
- 9 of 1996 (P.L. 104-193) may not be expended in any
- 10 way that would cause their disqualification as a feder-
- 11 ally allowable maintenance-of-effort expenditure.
- 12 3. Notwithstanding any other provision of law, funds in
- 13 Schedule (7) are available for accounts payable for
- 14 alternative payment programs for actual and allowable
- 15 costs incurred for additional services, pursuant to
- 16 Section 8222.1 of the Education Code. The State De-
- 17 partment of Education shall give priority for the allo-
- 18 cation of these funds for accounts payable.
- 19 4. The amounts provided in Schedules (1), (2), (3), and
- 20 (8) of this item reflect an adjustment to the base
- 21 funding of 0.37 percent for an increase in the popula-
- 22 tion of 0–4 year-olds.
- 23 5. The maximum standard reimbursement rate shall not
- 24 exceed \$38.29 per day for general child care programs.
- 25 This reflects a 1.02 percent cost-of-living adjustment
- 26 and a 5 percent rate increase to the standard reimburse-
- 27 ment rate. The maximum standard reimbursement rate
- 28 shall not exceed \$38.53 for full-day state preschool
- 29 programs. Furthermore, the migrant child care program
- 30 shall adhere to the maximum standard reimbursement
- 31 rates as prescribed for the general child care programs.
- 32 All other rates and adjustment factors shall conform.
- 33 6. (a) Alternative payment child care programs shall be
- 34 subject to the rate ceilings established in the Re-
- 35 gional Market Rate Survey of California child
- 36 care and development providers for provider
- 37 payments. When approved pursuant to Section
- 38 8447 of the Education Code, any changes to the
- 39 market rate limits, adjustment factors, or regions
- 40 shall be utilized by the State Department of Edu-

1 cation, the California Community Colleges, and
2 the State Department of Social Services in various
3 programs under the jurisdiction of these depart-
4 ments.

- 5 (b) Until October 1, 2015, the funds appropriated in
6 this item for the cost of licensed child care ser-
7 vices provided through alternative payment or
8 voucher programs, including those provided under
9 Article 3 (commencing with Section 8220) and
10 Article 15.5 (commencing with Section 8350) of
11 Chapter 2 of Part 6 of Division 1 of Title 1 of the
12 Education Code, shall be used only to reimburse
13 child care costs up to the deficated 85th percentile
14 of the rates charged by providers offering the
15 same type of child care for the same age child in
16 that region, based on the 2009 Regional Market
17 Rate Survey data. The 85th percentile of rates
18 based on the 2009 Regional Market Rate Survey
19 shall be reduced by 10.11 percent, pursuant to
20 Section 8447 of the Education Code. If the re-
21 duced rate schedule reimbursement amount for a
22 particular county rate is less than the reimburse-
23 ment amount provided for the same rate prior to
24 January 1, 2015, then the State Department of
25 Education shall use the rate schedule from the
26 2005 Regional Market Rate Survey for that partic-
27 ular reimbursement amount. As of October 1,
28 2015, the funds appropriated in this item for the
29 cost of licensed child care services provided
30 through alternative payment or voucher programs,
31 including those provided under Article 3 (com-
32 mencing with Section 8220) and Article 15.5
33 (commencing with Section 8350) of Chapter 2 of
34 Part 6 of Division 1 of Title 1 of the Education
35 Code, shall be used only to reimburse child care
36 costs up to 104.5 percent of the deficated 85th
37 percentile of the rates charged by providers offer-
38 ing the same type of child care for the same age
39 child in that region, based on the 2009 Regional
40 Market Rate Survey data. The 85th percentile of

1 rates based on the 2009 Regional Market Rate
 2 Survey shall be reduced by 10.11 percent, pur-
 3 suant to Section 8447 of the Education Code. If
 4 the reduced rate schedule reimbursement amount
 5 for a particular county rate is less than the reim-
 6 bursement amount provided for the same rate
 7 prior to January 1, 2015, then the State Depart-
 8 ment of Education shall use 104.5 percent of the
 9 rate schedule from the 2005 Regional Market Rate
 10 Survey for that particular reimbursement amount

11 (c) Until October 1, 2015, the funds appropriated in
 12 this item for the cost of license-exempt child care
 13 services provided through alternative payment or
 14 voucher programs, including those provided under
 15 Article 3 (commencing with Section 8220) and
 16 Article 15.5 (commencing with Section 8350) of
 17 Chapter 2 of Part 6 of Division 1 of Title 1 of the
 18 Education Code, shall be used only to reimburse
 19 license-exempt child care costs up to 60 percent
 20 of the regional reimbursement rate limits estab-
 21 lished for family child care homes. As of October
 22 1, 2015, the funds appropriated in this item for
 23 the cost of license-exempt child care services
 24 provided through alternative payment or voucher
 25 programs, including those provided under Article
 26 3 (commencing with Section 8220) and Article
 27 15.5 (commencing with Section 8350) of Chapter
 28 2 of Part 6 of Division 1 of Title 1 of the Educa-
 29 tion Code, shall be used only to reimburse license-
 30 exempt child care costs up to 65 percent of the
 31 regional reimbursement rate limits established for
 32 family child care homes.

33 7. (a) The State Department of Education (SDE) shall
 34 conduct monthly analyses of CalWORKs Stage
 35 2 and Stage 3 caseloads and expenditures and
 36 adjust agency contract maximum reimbursement
 37 amounts and allocations as necessary to ensure
 38 funds are distributed proportionally to need. The
 39 SDE shall share monthly caseload analyses with
 40 the State Department of Social Services (DSS).

- 1 (b) The SDE shall provide quarterly information re-
2 garding the sufficiency of funding for Stage 2 and
3 Stage 3 to DSS. The SDE shall provide caseloads,
4 expenditures, allocations, unit costs, family fees,
5 and other key variables and assumptions used in
6 determining the sufficiency of state allocations.
7 Detailed backup by month and on a county-by-
8 county basis shall be provided to the DSS at least
9 on a quarterly basis for comparisons with Stage
10 1 trends.
- 11 (c) By September 30 and March 30 of each year, the
12 SDE shall ensure that detailed caseload and expend-
13 iture data, through the most recent period for
14 Stage 2 and Stage 3 along with all relevant assump-
15 tions, is provided to DSS to facilitate budget de-
16 velopment. The detailed data provided shall in-
17 clude actual and projected monthly caseload from
18 Stage 2 scheduled to time off of their transitional
19 child care benefit from the last actual month re-
20 ported by agencies through the next two fiscal
21 years as well as local attrition experience. DSS
22 shall utilize data provided by the SDE, including
23 key variables from the prior fiscal year and the
24 first two months of the current fiscal year, to
25 provide coordinated estimates in November of
26 each year for each of the three stages of care for
27 preparation of the Governor’s Budget, and shall
28 utilize data from at least the first two quarters of
29 the current fiscal year, and any additional monthly
30 data as they become available for preparation of
31 the May Revision. The DSS shall share its assump-
32 tions and methodology with the SDE in the
33 preparation of the Governor’s Budget.
- 34 (d) The SDE shall coordinate with the DSS to identify
35 annual general subsidized child care program ex-
36 penditures for Temporary Assistance for Needy
37 Families-eligible children. The SDE shall modify
38 existing reporting forms as necessary to capture
39 this data.

- 1 (e) The SDE shall provide to the DSS, upon request,
2 access to the information and data elements nec-
3 essary to comply with federal reporting require-
4 ments and any other information deemed neces-
5 sary to improve estimation of child care budgeting
6 needs.
- 7 (f) On or before January 30, 2016, following consul-
8 tation with the DSS, the SDE shall determine the
9 adequacy of funding appropriated by the Legisla-
10 ture for CalWORKs Stage 2 and Stage 3. If the
11 SDE determines that the Stage 2 appropriation
12 exceeds the current year caseload needs and the
13 Stage 3 appropriation is not sufficient to fully
14 fund its caseload need, then the SDE shall submit
15 a request to the Department of Finance to transfer
16 the excess funds from Schedule (5), CalWORKs
17 Stage 2 child care to Schedule (6), CalWORKs
18 Stage 3 child care. Notwithstanding Section 26.00
19 or any other provision of law, the Department of
20 Finance may, at its discretion, approve such a
21 transfer.
- 22 (g) Notwithstanding any other provision of law or
23 any other sections of this act, the Department of
24 Finance may augment the appropriation for Cal-
25 WORKs Stage 3 if the estimate of expenditures,
26 as determined by the SDE, following consultation
27 with the DSS, will exceed the expenditures autho-
28 rized in Schedule (6). The Department of Finance
29 shall report any augmentation pursuant to this
30 paragraph to the Joint Legislative Budget Commit-
31 tee. At the time the report is made, the amount of
32 the appropriation made in Schedule (6) shall be
33 increased by the amount of the augmentation.
- 34 (h) The Director of Finance may, pursuant to subdivi-
35 sions (f) and (g) of Provision 7, authorize the
36 augmentation of the amount available for expen-
37 diture in Schedule (6) by making a transfer from
38 Schedule (5). An augmentation may be authorized
39 not sooner than 30 days after notification in writ-
40 ing of the necessity to exceed the limitations is

1 provided to the Joint Legislative Budget Commit-
2 tee, or whatever lesser time the chairperson of the
3 joint committee may determine. Any request made
4 by the SDE to augment the CalWORKs Stage 3
5 appropriation shall be approved only in order to
6 cover increases in costs that are consistent with
7 assumptions of this act. This provision shall not
8 be construed to treat Stage 3 as an entitlement.

- 9 8. Notwithstanding any other provision of law, the funds
10 in Schedule (6) are reserved exclusively for continuing
11 child care for the following: (a) former CalWORKs
12 families who are working, have left cash aid, and have
13 exhausted their two-year eligibility for transitional
14 services in either Stage 1 or Stage 2 pursuant to subdi-
15 vision (c) of Section 8351 or Section 8353 of the Edu-
16 cation Code, respectively, but still meet eligibility re-
17 quirements for receipt of subsidized child care ser-
18 vices, and (b) families who received lump-sum diver-
19 sion payments or diversion services under Section
20 11266.5 of the Welfare and Institutions Code and have
21 spent two years in Stage 2 off of cash aid, but still
22 meet eligibility requirements for receipt of subsidized
23 child care services.
- 24 9. Notwithstanding any other provision of law, each local
25 planning council receiving funds appropriated in
26 Schedule (11) shall meet the requirements of Section
27 8499.5 of the Education Code to the extent feasible
28 and to the extent data is readily accessible.
- 29 10. Notwithstanding any other provision of law, the imple-
30 mentation of Provision 12 is not subject to the appeal
31 and resolution procedures for agencies that contract
32 with the State Department of Education for the provi-
33 sion of child care services or the due process require-
34 ments afforded to families that are denied services
35 specified in Chapter 19 (commencing with Section
36 18000) of Division 1 of Title 5 of the California Code
37 of Regulations.
- 38 11. Notwithstanding the rulemaking provisions of the
39 Administrative Procedure Act (Chapter 3.5 (commenc-
40 ing with Section 11340) of Part 1 of Division 3 of Title

- 1 2 of the Government Code), the State Department of
2 Education may implement Provision 12 through
3 management bulletins or similar instructions.
- 4 12. Notwithstanding any other provision of law, families
5 shall be disenrolled from subsidized child care services
6 consistent with the priorities for services specified in
7 subdivision (b) of Section 8263 of the Education Code.
8 Families shall be disenrolled in the following order:
9 (a) families with the highest income below 70 percent
10 of the State Median Income (SMI) adjusted for family
11 size, (b) of families with the same income level, those
12 that have been receiving child care services for the
13 longest period of time, (c) of families with the same
14 income level, those that have a child with exceptional
15 needs, and (d) families with children who are receiving
16 child protective services or are at risk of being neglect-
17 ed or abused, regardless of family income.
- 18
- 19 14. Of the amount appropriated in Schedule (3),
20 \$52,627,000 is available to provide 6,800 voucher
21 child care slots. The Department shall allocate these
22 slots based on the existing distribution of alternative
23 payment program contracts.
- 24
- 25 16. Of the amount appropriated in Schedule (1),
26 \$3,471,000 is available to provide wraparound child
27 care for 1,200 full-day state preschool slots beginning
28 January 1, 2016.
- 29 17. The amount provided in Schedule (12) is available for
30 Quality Rating and Improvement System (QRIS)
31 consortia to provide training, technical assistance, and
32 resources to help infant and toddler child care
33 providers meet a higher tier of quality as determined
34 by their local QRIS matrix. No more ~~the~~ than 20 per-
35 cent of the funding awarded to a consortia may be al-
36 located directly to child care providers. Each county
37 participating in a QRIS consortia and in good standing
38 with the California Department of Education (CDE)
39 shall receive a minimum grant amount of \$25,000 for
40 this purpose, with remaining funds distributed to con-

- 1 to the requirements under Section 8206.1 of the Edu-
2 cation Code.
- 3 4. Notwithstanding any other provision of law, each local
4 planning council receiving funds appropriated in
5 Schedule (7) shall meet the requirements of Section
6 8499.5 of the Education Code to the extent feasible
7 and to the extent data is readily accessible.
- 8 5. Of the funds appropriated in this item, \$18,469,000 is
9 available on a one-time basis for CalWORKs Stage 3
10 child care from federal Child Care and Development
11 Block Grant funds appropriated prior to the 2015–16
12 federal fiscal year.
- 13 6. (a) Of the funds appropriated in Schedule (6) of this
14 item, \$2,892,000 is available on a one-time basis for
15 quality activities from federal Child Care and Devel-
16 opment Block Grant funds appropriated prior to the
17 2015–16 federal fiscal year. The State Department of
18 Education shall allocate these funds pursuant to federal
19 law and reflecting the following priorities:
- 20 (1) First, to provide one-time resources to meet
21 the requirements of the 2014 reauthorization
22 of the federal Child Care and Development
23 Block Grant.
- 24 (2) Second, to support the retention and training
25 of teachers and staff working in state and
26 federally subsidized child care programs.
- 27 (b) Funds appropriated in Schedule (6) of this item
28 shall not be expended to develop Feasibility Study
29 Reports or to support new information technology
30 projects, unless approved by the Department of
31 Finance and not sooner than 30 days after notifi-
32 cation in writing to the Chairperson of the Joint
33 Legislative Budget Committee.
- 34 7. Of the funds appropriated in Schedule (6) of this item,
35 \$300,000 is available on a one-time basis for the Re-
36 source and Referral Network from federal Child Care
37 and Development Block Grant funds appropriated
38 prior to the 2015–16 federal fiscal year. It is the intent
39 of the Legislature that this funding may support data
40 collection efficiency.

1

2 *SEC. 10. In regard to Section 1 to 3, inclusive, of this act, the*
3 *Legislature finds and declares that a special law is necessary and*
4 *that a general law cannot be made applicable within the meaning*
5 *of Section 16 of Article IV of the California Constitution because*
6 *of the unique circumstances concerning the County of San Mateo.*

7 *SEC. 11. This act is a bill providing for appropriations related*
8 *to the Budget Bill within the meaning of subdivision (e) of Section*
9 *12 of Article IV of the California Constitution, has been identified*
10 *as related to the budget in the Budget Bill, and shall take effect*
11 *immediately.*

12 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~
13 ~~changes relating to the Budget Act of 2015.~~

O