

AMENDED IN ASSEMBLY AUGUST 25, 2015

AMENDED IN ASSEMBLY AUGUST 24, 2015

SENATE BILL

No. 103

Introduced by Committee on Budget and Fiscal Review

January 9, 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, *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

SB 103, as amended, Committee on Budget and Fiscal Review. 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
 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

1 identify barriers in the state’s child care subsidy system that inhibit
2 the county from meeting its child care goals. In conducting the
3 assessment, the county shall consider all of the following:

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

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

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

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

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

13 (6) Family fees.

14 (7) The cost of providing child care.

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

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

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

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

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

25 (A) Prioritize lowest income families first.

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

29 (C) Meet local goals that are consistent with the state’s child
30 care goals.

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

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

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

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

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

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

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

18 (C) Reimbursement rates.

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

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

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

31 SEC. 2. Section 8347.4 of the Education Code is amended to
32 read:

33 8347.4. (a) The county shall annually prepare and submit to
34 the Legislature, the State Department of Social Services, and the
35 department a report that summarizes the success of the county’s
36 plan, and the county’s ability to maximize the use of funds and to
37 improve and stabilize child care in the county.

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

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

2 SEC. 4. Section 70022 of the Education Code is amended to
3 read:

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

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

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

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

1 requirements applicable to the
2 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program
3 (Chapter 1.7 (commencing with Section 69430)) and Section
4 69506.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

39 89007.7. (a) The Legislature finds and declares that the
40 California State University Early Start Program was adopted

1 pursuant to Executive Order No. 1048 at the May 2010 meeting
2 of the Trustees of the California State University (CSU) with the
3 stated goal of facilitating a student's graduation through changes
4 in policies on fulfilling entry-level proficiencies in mathematics
5 and English.

6 (b) On January 1, 2014, and on or before 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) shall report
36 on the Doctor of Nursing Practice degree pilot programs authorized
37 pursuant to Section 89281 and implemented under this article. The
38 report shall be submitted, in writing, to the Legislature and the
39 Governor on or before March 1, 2016. The report shall consider
40 all of the following:

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

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

8 (3) Statewide supply and demand data that considers capacity
9 at the University of California and in California's independent
10 colleges and universities.

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

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

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

19 (7) The costs of the degree pilot program to students, the amount
20 of financial aid offered, and student debt levels of graduates of the
21 program.

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

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

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

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

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

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

38 SEC. 7. (a) (1) The Director of the Office of Planning and
39 Research, or his or her designee, shall administer a study to
40 evaluate the admissions policies used by the University of

1 California and the California State University and determine the
2 number of students eligible for admission to each of these
3 institutions of postsecondary education.

4 (2) The Director of the Office of Planning and Research, or his
5 or her designee, shall convene a work group that includes, but is
6 not necessarily limited to, representatives from the University of
7 California, the California State University, the State Department
8 of Education, the Department of Finance, and the Legislative
9 Analyst's Office to consider the overall approach to the study.

10 (b) The study shall report the number of students eligible for
11 admission to each segment by race, gender, ethnicity, region, and
12 income, and shall include an analysis of the factors affecting
13 eligibility for admission to the University of California and the
14 California State University for each of those groups.

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

25 (d) The report to be submitted pursuant to subdivision (c) shall
26 be submitted in compliance with Section 9795 of the Government
27 Code.

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

32 (f) The Director of the Office of Planning and Research, or his
33 or her designee, may execute contracts to perform the study
34 specified in this section. Any contracts executed for the study
35 specified in this section are not subject to the provisions of Article
36 1 (commencing with Section 10100) of Chapter 1 of Part 2 of
37 Division 2 of the Public Contract Code, or Article 6 (commencing
38 with Section 999) of Chapter 6 of Division 4 of the Military and
39 Veterans Code.

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

3 SEC. 58. (a) The sum of five hundred million dollars
4 (\$500,000,000) is hereby appropriated from the General Fund to
5 the Superintendent of Public Instruction for transfer to Section A
6 of the State School Fund for the purposes set forth in subdivisions
7 (b) and (c).

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

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

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

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

30 (C) Professional development for teachers and administrators
31 that is aligned to the state content standards adopted pursuant to
32 Sections 51226, 60605, 60605.1, 60605.2, 60605.3, 60605.8,
33 60605.11, 60605.85, as that section read on June 30, 2014, and
34 60811.3, as that section read on June 30, 2013, of the Education
35 Code.

36 (D) To promote educator quality and effectiveness, including,
37 but not limited to, training on mentoring and coaching certificated
38 staff and training certificated staff to support effective teaching
39 and learning.

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

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

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

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

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

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

34 (1) Professional development and technical assistance shall
35 include training of local educational agency staff, and development
36 and distribution of best practices, guidance, and other elements of
37 technical support to implement network infrastructure within
38 schools and to provide school districts with utilization information
39 for optimal decisions.

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

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

6 (e) For purposes of making the computations required by Section
7 8 of Article XVI of the California Constitution, the funds
8 appropriated pursuant to this section shall be deemed to be
9 “General Fund revenues appropriated for school districts,” as
10 defined in subdivision (c) of Section 41202 of the Education Code,
11 for the 2014–15 fiscal year, and included within the “total
12 allocations to school districts and community college districts from
13 General Fund proceeds of taxes appropriated pursuant to Article
14 XIII B,” as defined in subdivision (e) of Section 41202 of the
15 Education Code, for the 2014–15 fiscal year.

16 ~~SEC. 8.~~

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

19

20 6100-194-0001—For local assistance, State Department of Ed-
21 ucation, for allocation by the Superintendent of Public In-
22 struction to school districts, county offices of education,
23 and other agencies for child care and development pro-
24 grams included in this item, in lieu of the amount that oth-
25 erwise would be appropriated pursuant to any other
26 statute..... 941,630,000

27 Schedule:

- 28 (1) 5210026-General Child Develop-
29 ment..... 265,938,000
- 30 (2) 5210028-Migrant Day Care..... 23,881,000
- 31 (3) 5210030-Alternative Payment..... 80,453,000
- 32 (4) 5210032-Resource and Referral..... 18,878,000
- 33 (5) 5210034-CalWORKs Stage 2..... 404,229,000
- 34 (6) 5210036-CalWORKs Stage 3..... 116,733,000
- 35 (7) 5210038-Accounts Payable..... 4,000,000
- 36 (8) 5210040-Child Care for Children with
37 Severe Disabilities..... 1,635,000
- 38 (9) 5210042-California Child Care Initia-
39 tive..... 225,000
- 40 (10) 5210044-Quality Improvement..... 1,461,000

- 1 (11) 5210046-Local Planning Councils..... 34,000
- 2 (12) 5210010- Child Development, Quality
- 3 Rating Improvement System Grants..... 24,163,000
- 4 Provisions:
- 5 1. Funds in Schedules (4), (9), (10), and (11) shall be al-
- 6 located to meet federal requirements to improve the
- 7 quality of child care and shall be used in accordance
- 8 with the approved California state plan for the federal
- 9 Child Care and Development Fund that is developed
- 10 pursuant to the requirements under Section 8206.1 of
- 11 the Education Code.
- 12 2. Nonfederal funds appropriated in this item which have
- 13 been budgeted to meet the state’s Temporary Assis-
- 14 tance for Needy Families maintenance-of-effort require-
- 15 ment established pursuant to the federal Personal Re-
- 16 sponsibility and Work Opportunity Reconciliation Act
- 17 of 1996 (P.L. 104-193) may not be expended in any
- 18 way that would cause their disqualification as a feder-
- 19 ally allowable maintenance-of-effort expenditure.
- 20 3. Notwithstanding any other provision of law, funds in
- 21 Schedule (7) are available for accounts payable for
- 22 alternative payment programs for actual and allowable
- 23 costs incurred for additional services, pursuant to
- 24 Section 8222.1 of the Education Code. The State De-
- 25 partment of Education shall give priority for the allo-
- 26 cation of these funds for accounts payable.
- 27 4. The amounts provided in Schedules (1), (2), (3), and
- 28 (8) of this item reflect an adjustment to the base
- 29 funding of 0.37 percent for an increase in the popula-
- 30 tion of 0–4 year-olds.
- 31 5. The maximum standard reimbursement rate shall not
- 32 exceed \$38.29 per day for general child care programs.
- 33 This reflects a 1.02 percent cost-of-living adjustment
- 34 and a 5 percent rate increase to the standard reimburse-
- 35 ment rate. The maximum standard reimbursement rate
- 36 shall not exceed \$38.53 for full-day state preschool
- 37 programs. Furthermore, the migrant child care program
- 38 shall adhere to the maximum standard reimbursement
- 39 rates as prescribed for the general child care programs.
- 40 All other rates and adjustment factors shall conform.

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

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

(c) 19 Until October 1, 2015, the funds appropriated in
 20 this item for the cost of license-exempt child care
 21 services provided through alternative payment or
 22 voucher programs, including those provided under
 23 Article 3 (commencing with Section 8220) and
 24 Article 15.5 (commencing with Section 8350) of
 25 Chapter 2 of Part 6 of Division 1 of Title 1 of the
 26 Education Code, shall be used only to reimburse
 27 license-exempt child care costs up to 60 percent
 28 of the regional reimbursement rate limits estab-
 29 lished for family child care homes. As of October
 30 1, 2015, the funds appropriated in this item for
 31 the cost of license-exempt child care services
 32 provided through alternative payment or voucher
 33 programs, including those provided under Article
 34 3 (commencing with Section 8220) and Article
 35 15.5 (commencing with Section 8350) of Chapter
 36 2 of Part 6 of Division 1 of Title 1 of the Educa-
 37 tion Code, shall be used only to reimburse license-
 38 exempt child care costs up to 65 percent of the
 39 regional reimbursement rate limits established for
 40 family child care homes.

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

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

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

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

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

15 ~~SEC. 9.~~

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

19
 20 6100-194-0890—For local assistance, State Department of Ed-
 21 ucation, payable from the Federal Trust Fund..... 582,852,000

22 Schedule:

- 23 (1) 5210026-General Child Develop-
 24 ment..... 184,227,000
- 25 (2) 5210028-Migrant Day Care..... 5,411,000
- 26 (3) 5210030-Alternative Payment..... 170,199,000
- 27 (4) 5210034-CalWORKs Stage 2..... 10,000,000
- 28 (5) 5210036-CalWORKs Stage 3..... 161,489,000
- 29 (6) 5210044-Quality Improvement..... 48,207,000
- 30 (7) 5210046-Local Planning Councils..... 3,319,000

31 Provisions:

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

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

1 7. Of the funds appropriated in Schedule (6) of this item,
2 \$300,000 is available on a one-time basis for the Re-
3 source and Referral Network from federal Child Care
4 and Development Block Grant funds appropriated
5 prior to the 2015–16 federal fiscal year. It is the intent
6 of the Legislature that this funding may support data
7 collection efficiency.

8
9 ~~SEC. 10.~~

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

16 ~~SEC. 11.~~

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