

Senate Bill No. 103

CHAPTER 324

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.

[Approved by Governor September 22, 2015. Filed with
Secretary of State September 22, 2015.]

LEGISLATIVE COUNSEL'S DIGEST

SB 103, 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, 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, totals 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 to the Legislative

Analyst’s Office, by July 1, 2016, 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 2014–15 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 2014–15 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.

(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.

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

Appropriation: yes.

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

SECTION 1. Section 8347.2 of the Education Code is amended to read: 8347.2. For purposes of this article, “plan” means an individualized county child care subsidy plan developed and approved as described in Section 8347, which includes all of the following:

(a) An assessment to identify the county’s goal for its subsidized child care system. The assessment shall examine whether the current structure of subsidized child care funding adequately supports working families in the

county and whether the county's child care goals coincide with the state's requirements for funding, eligibility, priority, and reimbursement. The assessment shall also identify barriers in the state's child care subsidy system that inhibit the county from meeting its child care goals. In conducting the assessment, the county shall consider all of the following:

- (1) The general demographics of families who are in need of child care, including employment, income, language, ethnic, and family composition.
- (2) The current supply of available subsidized child care.
- (3) The level of need for various types of subsidized child care services, including, but not limited to, infant care, after-hours care, and care for children with exceptional needs.
- (4) The county's self-sufficiency income level.
- (5) Income eligibility levels for subsidized child care.
- (6) Family fees.
- (7) The cost of providing child care.
- (8) The regional market rates, as established by the department, for different types of child care.
- (9) The standard reimbursement rate or state per diem for centers operating under contracts with the department.
- (10) Trends in the county's unemployment rate and housing affordability index.

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

- (2) The local policy shall do all of the following:
 - (A) Prioritize lowest income families first.
 - (B) Follow the family fee schedule established pursuant to Section 8273 for those families that are income eligible, as defined by Section 8263.1.
 - (C) Meet local goals that are consistent with the state's child care goals.
 - (D) Identify existing policies that would be affected by the county's plan.
 - (E) (i) Authorize any agency that provides child care and development services in the county through a contract with the department to apply to the department to amend existing contracts in order to benefit from the local policy.
 - (ii) The department shall approve an application to amend an existing contract if the plan is modified pursuant to Section 8347.3.
 - (iii) The contract of a department contractor who does not elect to request an amendment to its contract remains operative and enforceable.

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

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

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

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

(C) Reimbursement rates.

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

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

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

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

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

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

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

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

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

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

(A) The student's annual household income does not exceed one hundred fifty thousand dollars (\$150,000). For awards distributed for the 2016–17 academic year and subsequent academic years, the commission shall annually adjust the maximum income level set under this subparagraph in accordance with the percentage changes in the cost of living within the meaning of paragraph (1) of subdivision (e) of Section 8 of Article XIII B of the California Constitution. For purposes of this article, annual household income shall be calculated in a manner that is consistent with the requirements applicable to the Ortiz-Pacheco-Poohigian-Vasconcellos Cal

Grant Program (Chapter 1.7 (commencing with Section 69430)) and Section 69506.

(B) Beginning with awards distributed in the 2015–16 academic year, the student’s household asset level shall not exceed one hundred fifty thousand dollars (\$150,000). For awards distributed in the 2016–17 academic year and subsequent academic years, the commission shall annually adjust the maximum household asset level set under this subparagraph in accordance with the percentage changes in the cost of living within the meaning of paragraph (1) of subdivision (e) of Section 8 of Article XIII B of the California Constitution. For purposes of this article, student’s household asset level shall be calculated in a manner that is consistent with the requirements applicable to the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program (Chapter 1.7 (commencing with Section 69430)) and Section 69506.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

89282. (a) The California State University (CSU) shall report on the Doctor of Nursing Practice degree pilot programs authorized pursuant to Section 89281 and implemented under this article. The report shall be submitted, in writing, to the Legislature and the Governor on or before March 1, 2016. The report shall consider all of the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

SEC. 7. (a) (1) The Director of the Office of Planning and Research, or his or her designee, shall 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 each of these institutions of postsecondary education.

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

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

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

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

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

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

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

Sec. 58. (a) The sum of five hundred million dollars (\$500,000,000) is hereby appropriated from the General Fund to the Superintendent of Public

Instruction for transfer to Section A of the State School Fund for the purposes set forth in subdivisions (b) and (c).

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

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

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

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

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

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

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

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

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

(3) A school district, county office of education, charter school, or state special school may expend the funds received pursuant to this subdivision over the 2015–16 fiscal year, 2016–17 fiscal year, and the 2017–18 fiscal year. It is the intent of the Legislature that school districts, county offices of education, charter schools, and state special schools coordinate the use

of any federal funds received under Title II of the federal No Child Left Behind Act of 2001 (Public Law 107-110) to support teachers and administrators with the provisions of this subdivision.

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

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

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

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

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

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

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

6100-194-0001—For local assistance, State Department of Education, for allocation by the Superintendent of Public Instruction to school districts, county offices of education, and other agencies for child care and development programs included in this item, in lieu of the amount that otherwise would be appropriated pursuant to any other statute..... 941,630,000

Schedule:

(1) 5210026-General Child Development.....	265,938,000
(2) 5210028-Migrant Day Care.....	23,881,000
(3) 5210030-Alternative Payment.....	80,453,000
(4) 5210032-Resource and Referral.....	18,878,000
(5) 5210034-CalWORKs Stage 2.....	404,229,000

(6) 5210036-CalWORKs Stage 3.....	116,733,000
(7) 5210038-Accounts Payable.....	4,000,000
(8) 5210040-Child Care for Children with Severe Disabilities.....	1,635,000
(9) 5210042-California Child Care Initia- tive.....	225,000
(10) 5210044-Quality Improvement.....	1,461,000
(11) 5210046-Local Planning Councils.....	34,000
(12) 5210010- Child Development, Quality Rating Improvement System Grants.....	24,163,000

Provisions:

1. Funds in Schedules (4), (9), (10), and (11) shall be allocated to meet federal requirements to improve the quality of child care and shall be used in accordance with the approved California state plan for the federal Child Care and Development Fund that is developed pursuant to the requirements under Section 8206.1 of the Education Code.
2. Nonfederal funds appropriated in this item which have been budgeted to meet the state’s Temporary Assistance for Needy Families maintenance-of-effort requirement established pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) may not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
3. Notwithstanding any other provision of law, funds in Schedule (7) are available for accounts payable for alternative payment programs for actual and allowable costs incurred for additional services, pursuant to Section 8222.1 of the Education Code. The State Department of Education shall give priority for the allocation of these funds for accounts payable.
4. The amounts provided in Schedules (1), (2), (3), and (8) of this item reflect an adjustment to the base funding of 0.37 percent for an increase in the population of 0–4 year-olds.
5. The maximum standard reimbursement rate shall not exceed \$38.29 per day for general child care programs. This reflects a 1.02 percent cost-of-living adjustment and a 5 percent rate increase to the standard reimbursement rate. The maximum standard reimbursement rate shall not exceed \$38.53 for full-day state preschool programs. Furthermore, the migrant child care program shall adhere to the maximum standard reimbursement rates as prescribed for the general child care programs. All other rates and adjustment factors shall conform.

6. (a) Alternative payment child care programs shall be subject to the rate ceilings established in the Regional Market Rate Survey of California child care and development providers for provider payments. When approved pursuant to Section 8447 of the Education Code, any changes to the market rate limits, adjustment factors, or regions shall be utilized by the State Department of Education, the California Community Colleges, and the State Department of Social Services in various programs under the jurisdiction of these departments.
- (b) Until October 1, 2015, the funds appropriated in this item for the cost of licensed child care services provided through alternative payment or voucher programs, including those provided under Article 3 (commencing with Section 8220) and Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, shall be used only to reimburse child care costs up to the deflated 85th percentile of the rates charged by providers offering the same type of child care for the same age child in that region, based on the 2009 Regional Market Rate Survey data. The 85th percentile of rates based on the 2009 Regional Market Rate Survey shall be reduced by 10.11 percent, pursuant to Section 8447 of the Education Code. If the reduced rate schedule reimbursement amount for a particular county rate is less than the reimbursement amount provided for the same rate prior to January 1, 2015, then the State Department of Education shall use the rate schedule from the 2005 Regional Market Rate Survey for that particular reimbursement amount. As of October 1, 2015, the funds appropriated in this item for the cost of licensed child care services provided through alternative payment or voucher programs, including those provided under Article 3 (commencing with Section 8220) and Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, shall be used only to reimburse child care costs up to 104.5 percent of the deflated 85th percentile of the rates charged by providers offering the same type of child care for the same age child in that region, based on the 2009 Regional

Market Rate Survey data. The 85th percentile of rates based on the 2009 Regional Market Rate Survey shall be reduced by 10.11 percent, pursuant to Section 8447 of the Education Code. If the reduced rate schedule reimbursement amount for a particular county rate is less than the reimbursement amount provided for the same rate prior to January 1, 2015, then the State Department of Education shall use 104.5 percent of the rate schedule from the 2005 Regional Market Rate Survey for that particular reimbursement amount.

- (c) Until October 1, 2015, the funds appropriated in this item for the cost of license-exempt child care services provided through alternative payment or voucher programs, including those provided under Article 3 (commencing with Section 8220) and Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, shall be used only to reimburse license-exempt child care costs up to 60 percent of the regional reimbursement rate limits established for family child care homes. As of October 1, 2015, the funds appropriated in this item for the cost of license-exempt child care services provided through alternative payment or voucher programs, including those provided under Article 3 (commencing with Section 8220) and Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, shall be used only to reimburse license-exempt child care costs up to 65 percent of the regional reimbursement rate limits established for family child care homes.
7. (a) The State Department of Education (SDE) shall conduct monthly analyses of CalWORKs Stage 2 and Stage 3 caseloads and expenditures and adjust agency contract maximum reimbursement amounts and allocations as necessary to ensure funds are distributed proportionally to need. The SDE shall share monthly caseload analyses with the State Department of Social Services (DSS).
- (b) The SDE shall provide quarterly information regarding the sufficiency of funding for Stage 2 and Stage 3 to DSS. The SDE shall provide caseloads, expenditures, allocations, unit costs, family fees, and other key variables and assumptions used in determining the sufficiency of state allocations.

Detailed backup by month and on a county-by-county basis shall be provided to the DSS at least on a quarterly basis for comparisons with Stage 1 trends.

- (c) By September 30 and March 30 of each year, the SDE shall ensure that detailed caseload and expenditure data, through the most recent period for Stage 2 and Stage 3 along with all relevant assumptions, is provided to DSS to facilitate budget development. The detailed data provided shall include actual and projected monthly caseload from Stage 2 scheduled to time off of their transitional child care benefit from the last actual month reported by agencies through the next two fiscal years as well as local attrition experience. DSS shall utilize data provided by the SDE, including key variables from the prior fiscal year and the first two months of the current fiscal year, to provide coordinated estimates in November of each year for each of the three stages of care for preparation of the Governor's Budget, and shall utilize data from at least the first two quarters of the current fiscal year, and any additional monthly data as they become available for preparation of the May Revision. The DSS shall share its assumptions and methodology with the SDE in the preparation of the Governor's Budget.
- (d) The SDE shall coordinate with the DSS to identify annual general subsidized child care program expenditures for Temporary Assistance for Needy Families-eligible children. The SDE shall modify existing reporting forms as necessary to capture this data.
- (e) The SDE shall provide to the DSS, upon request, access to the information and data elements necessary to comply with federal reporting requirements and any other information deemed necessary to improve estimation of child care budgeting needs.
- (f) On or before January 30, 2016, following consultation with the DSS, the SDE shall determine the adequacy of funding appropriated by the Legislature for CalWORKs Stage 2 and Stage 3. If the SDE determines that the Stage 2 appropriation exceeds the current year caseload needs and the Stage 3 appropriation is not sufficient to fully fund its caseload need, then the SDE shall submit

a request to the Department of Finance to transfer the excess funds from Schedule (5), CalWORKs Stage 2 child care to Schedule (6), CalWORKs Stage 3 child care. Notwithstanding Section 26.00 or any other provision of law, the Department of Finance may, at its discretion, approve such a transfer.

- (g) Notwithstanding any other provision of law or any other sections of this act, the Department of Finance may augment the appropriation for CalWORKs Stage 3 if the estimate of expenditures, as determined by the SDE, following consultation with the DSS, will exceed the expenditures authorized in Schedule (6). The Department of Finance shall report any augmentation pursuant to this paragraph to the Joint Legislative Budget Committee. At the time the report is made, the amount of the appropriation made in Schedule (6) shall be increased by the amount of the augmentation.
 - (h) The Director of Finance may, pursuant to subdivisions (f) and (g) of Provision 7, authorize the augmentation of the amount available for expenditure in Schedule (6) by making a transfer from Schedule (5). An augmentation may be authorized not sooner than 30 days after notification in writing of the necessity to exceed the limitations is provided to the Joint Legislative Budget Committee, or whatever lesser time the chairperson of the joint committee may determine. Any request made by the SDE to augment the CalWORKs Stage 3 appropriation shall be approved only in order to cover increases in costs that are consistent with assumptions of this act. This provision shall not be construed to treat Stage 3 as an entitlement.
8. Notwithstanding any other provision of law, the funds in Schedule (6) are reserved exclusively for continuing child care for the following: (a) former CalWORKs families who are working, have left cash aid, and have exhausted their two-year eligibility for transitional services in either Stage 1 or Stage 2 pursuant to subdivision (c) of Section 8351 or Section 8353 of the Education Code, respectively, but still meet eligibility requirements for receipt of subsidized child care services, and (b) families who received lump-sum diversion payments or diversion services under Section 11266.5 of the Welfare and Institutions Code and have spent two years in Stage 2 off of cash aid, but still

- meet eligibility requirements for receipt of subsidized child care services.
9. Notwithstanding any other provision of law, each local planning council receiving funds appropriated in Schedule (11) shall meet the requirements of Section 8499.5 of the Education Code to the extent feasible and to the extent data is readily accessible.
 10. Notwithstanding any other provision of law, the implementation of Provision 12 is not subject to the appeal and resolution procedures for agencies that contract with the State Department of Education for the provision of child care services or the due process requirements afforded to families that are denied services specified in Chapter 19 (commencing with Section 18000) of Division 1 of Title 5 of the California Code of Regulations.
 11. Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the State Department of Education may implement Provision 12 through management bulletins or similar instructions.
 12. Notwithstanding any other provision of law, families shall be disenrolled from subsidized child care services consistent with the priorities for services specified in subdivision (b) of Section 8263 of the Education Code. Families shall be disenrolled in the following order: (a) families with the highest income below 70 percent of the State Median Income (SMI) adjusted for family size, (b) of families with the same income level, those that have been receiving child care services for the longest period of time, (c) of families with the same income level, those that have a child with exceptional needs, and (d) families with children who are receiving child protective services or are at risk of being neglected or abused, regardless of family income.
 14. Of the amount appropriated in Schedule (3), \$52,627,000 is available to provide 6,800 voucher child care slots. The Department shall allocate these slots based on the existing distribution of alternative payment program contracts.
 16. Of the amount appropriated in Schedule (1), \$3,471,000 is available to provide wraparound child care for 1,200 full-day state preschool slots beginning January 1, 2016.

- 17. The amount provided in Schedule (12) is available for Quality Rating and Improvement System (QRIS) consortia to provide training, technical assistance, and resources to help infant and toddler child care providers meet a higher tier of quality as determined by their local QRIS matrix. No more than 20 percent of the funding awarded to a consortia may be allocated directly to child care providers. Each county participating in a QRIS consortia and in good standing with the California Department of Education (CDE) shall receive a minimum grant amount of \$25,000 for this purpose, with remaining funds distributed to consortia based on their proportion of contracts with CDE for infant and toddler child care and development. Notwithstanding any other provision of law, the funds appropriated in this schedule shall be available for encumbrance until June 30, 2017.

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

6100-194-0890—For local assistance, State Department of Education, payable from the Federal Trust Fund..... 582,852,000

Schedule:

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

Provisions:

- 1. Notwithstanding any other provision of law, the funds appropriated in this item, to the extent permissible under federal law, are subject to Section 8262 of the Education Code.
- 2. Of the funds appropriated in this item, \$10,000,000 is from the transfer of funds, pursuant to Item 5180-402, from the federal Temporary Assistance for Needy Families (TANF) Block Grant administered by the State Department of Social Services to the federal Child Care and Development Block Grant for CalWORKs Stage 2 child care.
- 3. Funds in Schedules (6) and (7) shall be allocated to meet federal requirements to improve the quality of child care and shall be used in accordance with the

- approved California state plan for the federal Child Care and Development Fund that is developed pursuant to the requirements under Section 8206.1 of the Education Code.
4. Notwithstanding any other provision of law, each local planning council receiving funds appropriated in Schedule (7) shall meet the requirements of Section 8499.5 of the Education Code to the extent feasible and to the extent data is readily accessible.
 5. Of the funds appropriated in this item, \$18,469,000 is available on a one-time basis for CalWORKs Stage 3 child care from federal Child Care and Development Block Grant funds appropriated prior to the 2015–16 federal fiscal year.
 6. (a) Of the funds appropriated in Schedule (6) of this item, \$2,892,000 is available on a one-time basis for quality activities from federal Child Care and Development Block Grant funds appropriated prior to the 2015–16 federal fiscal year. The State Department of Education shall allocate these funds pursuant to federal law and reflecting the following priorities:
 - (1) First, to provide one-time resources to meet the requirements of the 2014 reauthorization of the federal Child Care and Development Block Grant.
 - (2) Second, to support the retention and training of teachers and staff working in state and federally subsidized child care programs.
 - (b) Funds appropriated in Schedule (6) of this item shall not be expended to develop Feasibility Study Reports or to support new information technology projects, unless approved by the Department of Finance and not sooner than 30 days after notification in writing to the Chairperson of the Joint Legislative Budget Committee.
 7. Of the funds appropriated in Schedule (6) of this item, \$300,000 is available on a one-time basis for the Resource and Referral Network from federal Child Care and Development Block Grant funds appropriated prior to the 2015–16 federal fiscal year. It is the intent of the Legislature that this funding may support data collection efficiency.

SEC. 11. In regard to Sections 1 to 3, inclusive, of this act, the Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16

of Article IV of the California Constitution because of the unique circumstances concerning the County of San Mateo.

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

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