

AMENDED IN ASSEMBLY APRIL 28, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

**ASSEMBLY BILL**

**No. 554**

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**Introduced by Assembly Member Papan**

February 19, 1999

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An act to amend ~~Section 8263.1~~ *Sections 8263.1 and 8354* of the Education Code, relating to child care and development.

LEGISLATIVE COUNSEL'S DIGEST

AB 554, as amended, Papan. Child care and development services.

Existing law provides for the provision of subsidized child development services to families who meet income eligibility requirements, *including certain CalWORKs recipients*. Under existing law, a family is income eligible for these purposes if the family's adjusted monthly income is at or below 75% of the state's median income.

This bill would revise income eligibility for families in certain counties to include those whose adjusted monthly income is at or below 85% of the state's median income.

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

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

1 SECTION 1. The Legislature finds and declares all of  
2 the following:

1 (a) California has invested significant resources  
2 toward helping low income and working poor families  
3 with their child care needs. These resources should be  
4 wisely invested in order to maximize the benefit to  
5 children and families.

6 (b) Child care is a key component in the California  
7 Work Opportunity and Responsibility to Kids  
8 (CalWORKs) program. These families are entitled to and  
9 rely on subsidized child care to achieve economic  
10 self-sufficiency.

11 (c) In many high cost counties, the cost of child care,  
12 combined with other high costs such as housing,  
13 transportation, and other necessities, places an extreme  
14 burden on working poor families. Families in transition  
15 from welfare to work face undue hardship; once they lose  
16 eligibility for subsidized child care, families may pay 20 to  
17 40 percent of their income toward child care costs.

18 (d) Regional differences among counties, both in  
19 terms of income and expenses, are not considered when  
20 providing supportive services to CalWORKs families and  
21 the working poor. The CalWORKs program provides for  
22 only a slight grant adjustment for certain high cost  
23 counties.

24 ~~(5)~~

25 (e) Due to the 60-month time limit on the receipt of  
26 federal benefits, families can no longer cycle on and off  
27 of welfare and must become economically independent  
28 quickly.

29 ~~(6)~~

30 (f) Families should not be forced to choose between  
31 the quality of their child care situation and the cost for  
32 care. All families, including the working poor, require  
33 stable, high quality child care arrangements in order to  
34 promote a child’s development and family well-being.

35 SEC. 2. Section 8263.1 of the Education Code is  
36 amended to read:

37 8263.1. (a) (1) For purposes of this chapter, “income  
38 eligible” for a family residing in a county included in  
39 Region 2 pursuant to Section 11452.018 of the Welfare and  
40 Institutions Code means that a family’s adjusted monthly



1 income is at or below 75 percent of the state median  
2 income, adjusted for family size, and adjusted annually.

3 (2) For purposes of this chapter, “income eligible” for  
4 a family residing in a county included in Region 1  
5 pursuant to Section 11452.018 of the Welfare and  
6 Institutions Code means that a family’s adjusted monthly  
7 income is at or below 85 percent of the state median  
8 income, adjusted for family size, and adjusted annually.

9 (b) The income of a recipient of federal supplemental  
10 security income benefits pursuant to Title XVI of the  
11 Federal Social Security Act (42 U.S.C. Sec. 1381 et seq.)  
12 and state supplemental program benefits pursuant to  
13 Title XVI of the Federal Social Security Act and Chapter  
14 3 (commencing with Section 12000) of Part 3 of Division  
15 9 of the Welfare and Institutions Code shall not be  
16 included as income for the purposes of determining  
17 eligibility for child care under this chapter.

18 (c) As of January 1, 1998, children in subsidized child  
19 care programs with an exit criteria of 100 percent of the  
20 state median income, whose family income adjusted for  
21 family size, is above 75 percent of the state median  
22 income shall not be displaced and shall continue to  
23 receive child care services as long as they continue to  
24 meet the criteria that apply to the program on December  
25 31, 1997. The parent fee schedule for these programs in  
26 effect on December 31, 1997, shall continue to be applied  
27 until the department adopts a new fee schedule that  
28 applies to these families.

29 *SEC. 3. Section 8354 of the Education Code is*  
30 *amended to read:*

31 8354. (a) The third stage of child care begins when a  
32 funded space is available. CalWORKs recipients are  
33 eligible for the third stage of child care. Persons who  
34 received a lump-sum diversion payment or diversion  
35 services and former CalWORKs participants are eligible  
36 if they ~~have an income that does not exceed 75 percent~~  
37 ~~of the state median income~~ *are income eligible as defined*  
38 *in subdivision (a) of Section 8263.1.* The third stage shall  
39 be administered by programs contracting with the State  
40 Department of Education. Parents’ eligibility for child



1 care and development services will be governed by  
2 Section 8263 and regulations adopted by the State  
3 Department of Education.

4 (b) In order to move welfare recipients and former  
5 recipients from their relationship with county welfare  
6 departments to relationships with institutions providing  
7 services to working families, it is the intent of the  
8 Legislature that families that are former recipients of aid,  
9 or are transitioning off aid, receive their child care  
10 assistance in the same fashion as other low-income  
11 working families. Therefore, it is the intent of the  
12 Legislature that families no longer rely on county welfare  
13 departments to obtain child care subsidies beyond the  
14 time they are receiving other services from the welfare  
15 department.

16 (c) A county welfare department shall not administer  
17 the third stage of child care for CalWORKs recipients  
18 except to the extent to which it delivered those services  
19 to families receiving, or within one year of having  
20 received, Aid to Families with Dependent Children prior  
21 to the enactment of this section.

22 (d) This article does not preclude county welfare  
23 departments from operating an alternative payment  
24 program under contract with the State Department of  
25 Education to serve families referred by child protective  
26 services.

