

Introduced by Senator Yee

February 18, 2010

An act to amend Sections 8335.1, 8335.4, 8335.5, and 8335.7 of the Education Code, relating to child care.

LEGISLATIVE COUNSEL'S DIGEST

SB 1225, as introduced, Yee. City and County of San Francisco: individualized county child care subsidy plan.

The Child Care and Development Services Act, administered by the State Department of Education, requires the Superintendent of Public Instruction to administer child care and development programs that offer a full range of services for eligible children from infancy to 13 years of age. Existing law, until January 1, 2011, authorizes the City and County of San Francisco, as a pilot project, to develop and implement an individualized county child care subsidy plan, and provides for the repeal of those provisions on January 1, 2013.

This bill would authorize the City and County of San Francisco to implement an individualized county child care subsidy plan until June 30, 2016, and would require the city and county to phase out the plan by January 1, 2018. The bill would require the city and county to demonstrate an increase in earned child days of enrollment by the end of the first fiscal year of operation under the child care subsidy plan submitted to and approved by the Child Development Division of the department after January 1, 2010. The bill would require the city and county, on or before December 31, 2016, to submit a final report to the Legislature and other specified entities that summarizes the impact of the plan. The bill would repeal those provisions on January 1, 2018.

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

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

SECTION 1. Section 8335.1 of the Education Code is amended to read:

8335.1. Prior to implementing the local subsidy plan, the City and County of San Francisco, in consultation with the department, shall develop an individualized county child care subsidy plan for the city and county that includes the following four elements:

(a) An assessment to identify the city and 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 city and county and whether the city and 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 city and county from meeting its child care goals. In conducting the assessment, the city and 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 city and county's self-sufficiency income level.

(5) Income eligibility levels for subsidized child care.

(6) Family fees.

(7) The cost of providing child care *and of administering contracts*.

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

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

1 (A) Prioritize lowest income families first.

2 (B) Follow the family fee schedule established pursuant to
3 subdivision ~~(f)~~ (g) of Section 8263 for those families that are
4 income eligible, as defined by Section 8263.1.

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

7 (D) Identify existing policies that would be affected by the city
8 and county's child care subsidy plan.

9 (E) (i) Authorize any agency that provides child care and
10 development services in the city and county through a contract
11 with the department to apply to the department to amend existing
12 contracts in order to benefit from the local policy once it is adopted.

13 (ii) The department shall approve an application to amend an
14 existing contract if the child care subsidy plan is approved pursuant
15 to subdivision (b) of Section 8335.3, or modified pursuant to
16 subdivision (c) of Section 8335.3.

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

20 (2) (A) The city and county ~~shall~~, by the end of the first fiscal
21 year of operation under the ~~approved~~ child care subsidy plan
22 *submitted to and approved by the Child Development Division*
23 *pursuant to Section 8335.3 after January 1, 2010, shall demonstrate*
24 *an increase in the aggregate earned child days of enrollment in*
25 *the county as compared to the enrollment in the final quarter of*
26 *the 2004-05 2008-09 fiscal year.*

27 (B) The amount of the increase shall be at least equal to ~~the~~
28 *aggregate earned* child days of enrollment in the final quarter of
29 *the 2004-05 2008-09* fiscal year for all contracts amended as
30 provided in subparagraph (E) of paragraph (1), under which the
31 contractor receives an increase in its reimbursement rate, times 2
32 percent.

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

35 (A) Eligibility criteria including, but not limited to, age, family
36 size, time limits, income level, inclusion of former and current
37 CalWORKs participants, and special needs considerations, except
38 that the local policy ~~may~~ *shall* not deny or reduce eligibility of a
39 family that qualifies for child care pursuant to Section 8353. Under
40 the local policy, a family that qualifies for child care pursuant to

1 Section 8354 shall be treated for purposes of eligibility and fees
2 in the same manner as a family that qualifies for subsidized child
3 care on another basis pursuant to the local policy.

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

7 (C) Reimbursement rates.

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

13 (c) Recognition that all funding sources utilized by direct service
14 contractors that provide child care and development services in
15 the city and county are eligible to be included in the child care
16 subsidy plan of the city and county.

17 (d) Establishment of measurable outcomes to evaluate the
18 success of the plan to achieve the city and county's child care goals
19 and to overcome any barriers identified in the state's child care
20 subsidy system. The State Department of Social Services shall
21 have an opportunity to review and comment on the proposed
22 measurable outcomes before they are submitted to the local child
23 care planning council for approval pursuant to Section 8335.3.

24 SEC. 2. Section 8335.4 of the Education Code is amended to
25 read:

26 8335.4. (a) Upon approval of the plan by the Child
27 Development Division of the department, the City and County of
28 San Francisco shall annually prepare and submit to the Legislature,
29 the State Department of Social Services, and the department a
30 report that summarizes the success of the pilot project and the city
31 and county's ability to maximize the use of funds and to improve
32 and stabilize child care in the city and county.

33 (b) On or before December 31, ~~2010~~ 2016, the City and County
34 of San Francisco shall submit a final report to the Legislature, the
35 State Department of Social Services, and the department
36 summarizing the impact of the plan on the child care needs of
37 working families in the city and county.

38 SEC. 3. Section 8335.5 of the Education Code is amended to
39 read:

1 8335.5. The City and County of San Francisco may implement
2 ~~its an~~ individualized child care subsidy plan until ~~January 1, 2011~~
3 ~~June 30, 2016,~~ ~~at on~~ which date the city and county shall terminate
4 the plan. Between ~~January 1, 2011~~ ~~June 30, 2016,~~ and January 1,
5 ~~2013~~ ~~2018~~, the city and county shall phase out the individualized
6 county child care subsidy plan and, as of January 1, ~~2013~~ ~~2018~~,
7 shall implement the state's requirements for child care subsidies.
8 A child enrolling for the first time for subsidized child care in the
9 city and county after ~~January 1, 2011~~ ~~June 30, 2016,~~ ~~may~~ shall
10 not be enrolled in the pilot program established pursuant to this
11 article and is subject to existing state laws and regulations regarding
12 child care eligibility and priority.

13 SEC. 4. Section 8335.7 of the Education Code is amended to
14 read:

15 8335.7. This article shall remain in effect only until January
16 1, ~~2013~~ ~~2018~~, and as of that date is repealed, unless a later enacted
17 statute, which is enacted before January 1, ~~2013~~ ~~2018~~, deletes or
18 extends that date.