

AMENDED IN SENATE APRIL 28, 2010

SENATE BILL

No. 1225

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 amended, 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 *the aggregate* 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:

1 SECTION 1. Section 8335.1 of the Education Code is amended
2 to read:
3 8335.1. Prior to implementing the local subsidy plan, the City
4 and County of San Francisco, in consultation with the department,
5 shall develop an individualized county child care subsidy plan for
6 the city and county that includes the following four elements:
7 (a) An assessment to identify the city and county's goal for its
8 subsidized child care system. The assessment shall examine
9 whether the current structure of subsidized child care funding
10 adequately supports working families in the city and county and
11 whether the city and county's child care goals coincide with the
12 state's requirements for funding, eligibility, priority, and
13 reimbursement. The assessment shall also identify barriers in the
14 state's child care subsidy system that inhibit the city and county
15 from meeting its child care goals. In conducting the assessment,
16 the city and county shall consider all of the following:
17 (1) The general demographics of families who are in need of
18 child care, including employment, income, language, ethnic, and
19 family composition.
20 (2) The current supply of available subsidized child care.
21 (3) The level of need for various types of subsidized child care
22 services including, but not limited to, infant care, after-hours care,
23 and care for children with exceptional needs.
24 (4) The city and county's self-sufficiency income level.
25 (5) Income eligibility levels for subsidized child care.
26 (6) Family fees.
27 (7) The cost of providing child care and of administering
28 contracts.
29 (8) The regional market rates, as established by the department,
30 for different types of child care.
31 (9) The standard reimbursement rate or state per diem for centers
32 operating under contracts with the department.

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

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

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

7 (A) Prioritize lowest income families first.

8 (B) Follow the family fee schedule established pursuant to
9 subdivision (g) of Section 8263 for those families that are income
10 eligible, as defined by Section 8263.1.

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

13 (D) Identify existing policies that would be affected by the city
14 and county’s child care subsidy plan.

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

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

23 (iii) The contract of a department contractor who does not elect
24 to request an amendment to its contract remains operative and
25 enforceable.

26 (2) (A) The city and county, by the end of the first fiscal year
27 of operation under the child care subsidy plan submitted to and
28 approved by the Child Development Division pursuant to Section
29 8335.3 after January 1, 2010, shall demonstrate an increase in *the*
30 *aggregate* earned child days of enrollment in the county as
31 compared to the *enrollment in the* final quarter of the 2008–09
32 fiscal year.

33 (B) The amount of the increase shall be at least equal to *the*
34 *aggregate* earned child days of enrollment in the final quarter of
35 the 2008–09 fiscal year for all contracts amended as provided in
36 subparagraph (E) of paragraph (1), under which the contractor
37 receives an increase in its reimbursement rate, times 2 percent.

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

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

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

13 (C) Reimbursement rates.

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

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

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

30 SEC. 2. Section 8335.4 of the Education Code is amended to
31 read:

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

39 (b) On or before December 31, 2016, the City and County of
40 San Francisco shall submit a final report to the Legislature, the

1 State Department of Social Services, and the department
2 summarizing the impact of the plan on the child care needs of
3 working families in the city and county.

4 SEC. 3. Section 8335.5 of the Education Code is amended to
5 read:

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

17 SEC. 4. Section 8335.7 of the Education Code is amended to
18 read:

19 8335.7. This article shall remain in effect only until January
20 1, 2018, and as of that date is repealed, unless a later enacted
21 statute, which is enacted before January 1, 2018, deletes or extends
22 that date.