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WELFARE AND INSTITUTIONS CODE - WIC

DIVISION 9. PUBLIC SOCIAL SERVICES [10000 - 18999.98] (Division 9 added by Stats. 1965, Ch. 1784.)

PART 1.8. Child Care and Development Services Act [10207 - 10492.2] (Part 1.8 added by Stats. 2021, Ch. 116, Sec. 260.)

CHAPTER 26. Direct Service Contract Procedure [10430 - 10437] (Chapter 26 added by Stats. 2021, Ch. 116, Sec. 260.)

10430. The department shall develop an annual calendar identifying target dates for contract application deadlines, contract award announcements, contract approvals, and contract evaluations. Each calendar shall be available to the public and shall be updated at least annually.

(Added by Stats. 2021, Ch. 116, Sec. 260. (AB 131) Effective July 23, 2021.)

10431. The department shall develop and maintain a central distribution list for application announcements.

(Added by Stats. 2021, Ch. 116, Sec. 260. (AB 131) Effective July 23, 2021.)

10432. Application announcements shall contain, but not be limited to, the following information: the goals and objectives of the program, identification of the specific minimum range of services to be purchased related to those goals, quantitative as well as qualitative measures which will be used by the department to evaluate service outcomes, specific criteria and a description of the methodology and timetable which will be followed to review and approve applications, and all minimum performance standards any agency is required to meet prior to direct service contract approval.

(Added by Stats. 2021, Ch. 116, Sec. 260. (AB 131) Effective July 23, 2021.)

10433. (a) The department shall include all of the following in the application announcement:

- (1) The time estimated for each step.
- (2) The specific staff names, office addresses, and telephone numbers for those responsible for each step.
- (3) The legal requirements and signatory approvals required prior to final approval of any contract.
- (4) Any conditions for advance payments shall also be identified.

(b) This information shall be provided in any application announcement.

(Added by Stats. 2021, Ch. 116, Sec. 260. (AB 131) Effective July 23, 2021.)

10434. The department shall identify and transmit to all agencies awarded direct service contracts forms required for contract payments, management information or reports required pursuant to contract objectives, and conditions and methods for contract evaluations. Methods and conditions for payment recoveries, withholding of payments, and contract terminations relating to nonperformance shall also be identified. This information shall be provided in all cases prior to final approval of any direct service contract, unless the information is provided in the contract document.

(Added by Stats. 2021, Ch. 116, Sec. 260. (AB 131) Effective July 23, 2021.)

10435. The department shall develop a grievance procedure for resolving disputes arising from the awarding or administering of direct service contracts, in addition to the remedies provided under the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code).

(Added by Stats. 2021, Ch. 116, Sec. 260. (AB 131) Effective July 23, 2021.)

10436. (a) The Legislature hereby finds and declares that greater efficiencies may be achieved in the execution of state-subsidized childcare and development program contracts with public and private agencies by the timely approval of contract provisions by the Department of Finance, the Department of General Services, and the department, and by authorizing the department to establish a multiyear application, contract expenditure, and service review, as may be necessary, to provide timely service while preserving audit and oversight functions to protect the public welfare.

(b) (1) The Department of Finance and the Department of General Services shall approve or disapprove annual contract funding terms and conditions, including both family fee schedules and rate schedules that are required to be adhered to by contract, and contract face sheets submitted by the department not more than 30 working days from the date of submission, unless unresolved conflicts remain between the Department of Finance, the department, and the Department of General Services. The department shall resolve conflicts within an additional 30-working day time period. Contracts and funding terms and conditions shall be issued to childcare contractors no later than June 1. Applications for new childcare funding shall be issued not more than 45 working days after the effective date of authorized new allocations of childcare moneys.

(2) If the market rate survey is used to set reimbursement rates, and notwithstanding paragraph (1), the department shall implement the regional market rate schedules based upon the county aggregates, as specified in Section 10374.5 and the annual Budget Act.

(3) It is the intent of the Legislature to fully fund the third stage of childcare for former CalWORKs recipients.

(c) With respect to subdivision (b), it is the intent of the Legislature that the Department of Finance annually review contract funding terms and conditions for the primary purpose of ensuring consistency between childcare contracts and the childcare budget. This review shall include evaluating any proposed changes to contract language or other fiscal documents to which the contractor is required to adhere, including those changes to terms or conditions that authorize higher reimbursement rates, modify related adjustment factors, modify administrative or other service allowances, or diminish fee revenues otherwise available for services, to determine if the change is necessary or has the potential effect of reducing the number of full-time equivalent children that may be served.

(d) If the market rate survey is used to set reimbursement rates, alternative payment programs, as set forth in Chapter 3 (commencing with Section 10225), shall be subject to the rates established in the Regional Market Rate Survey of California Child Care Providers for provider payments, and the department shall contract to conduct a regional market rate survey no more frequently than once every two years, consistent with federal regulations, with a goal of completion by March 1.

(e) By March 1 of each year, the Department of Finance shall provide to the department the state median income amount for a four-person household in California using the methodology provided in subdivision (c) of Section 10271.5. The department shall adjust its fee schedule for childcare providers to reflect this updated state median income, and changes based on revisions to the state median income amount shall not be implemented midyear.

(f) Notwithstanding the June 1 date specified in subdivision (b), changes to the regional schedules and fee schedules may be made at any other time to reflect the availability of accurate data necessary for their completion, provided these documents receive the approval of the Department of Finance. The Department of Finance shall review the changes within 30 working days of submission and the department shall resolve conflicts within an additional 30-working day time period. Contractors shall be given adequate notice before the effective date of the approved schedules. It is the intent of the Legislature that contracts for services not be delayed by the timing of the availability of accurate data needed to update these schedules.

(Amended by Stats. 2023, Ch. 41, Sec. 20. (AB 116) Effective July 10, 2023.)

10437. The department may execute a multiyear application process. Multiyear applications may only be submitted by public and private agencies that have been fully compliant in executing prior contracts for at least the preceding three fiscal years as evidenced by all of the following:

(a) No fiscal audit disclaimer.

(b) No program quality deficiencies.

(c) No contract compliance deficiencies.

(d) No incidents of child abuse or molestation.

(e) No program management, administrative, or staffing deficiencies.

(f) Any other criteria as may be deemed necessary to safeguard the public trust.

(Added by Stats. 2021, Ch. 116, Sec. 260. (AB 131) Effective July 23, 2021.)