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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 30. Child Care and Development Facilities Capital Outlay [10470 - 10475] (*Chapter 30 added by Stats. 2021, Ch. 116, Sec. 260.*)

10470. It is the intent of the Legislature that funds be appropriated for capital outlay for purposes of providing facilities for child care and development services provided pursuant to this part, including, but not limited to, all of the following purposes:

- (a) For the purchase of relocatable facilities by the state for lease to qualifying contracting agencies in areas with no available economically practical or feasible child care and development facilities.
- (b) For renovation and repair of child care and development facilities in order to comply with state and local health and safety standards and licensing requirements, without unnecessarily increasing the value of the facility.

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

10471. (a) All of the following child care and development programs, other than those providing extended day care services, shall be eligible to receive a loan for the renovation and repair of facilities used for the program or to lease relocatable facilities to be used for the program:

(1) Private nonprofit child care and development programs currently, or soon to be, under contract with the department pursuant to Section 10268.5.

(2) Child care and development programs operated by, or in a facility owned by, a public entity.

(b) A recipient of a loan pursuant to this section shall document that the renovated facility shall comply with all laws and regulations applicable to child care facilities provided for pursuant to Chapter 3.4 (commencing with Section 1596.70) and Chapter 3.5 (commencing with Section 1596.90) of Division 2 of the Health and Safety Code.

(c) A recipient of a loan pursuant to this section shall assure the board that the renovated facility shall be used for the purposes of the child care and development program for the entire loan period, which shall be determined by the board as follows:

(1) For loans equal to or less than thirty thousand dollars (\$30,000), not less than three years.

(2) For loans exceeding thirty thousand dollars (\$30,000), the loan period shall increase one year for each additional ten thousand dollars (\$10,000) or part thereof, to a maximum of fifty thousand dollars (\$50,000).

(d) Interest on the loan principal shall be charged at a rate equal to the rate earned by the Pooled Money Investment Account.

(e) In the event that a recipient ceases to use the renovated facility for purposes of the child care and development program prior to the expiration of the loan period, the board shall collect the entire outstanding balance of the loan, plus interest, notwithstanding the loan period originally set pursuant to subdivision (c), unless the board deems it appropriate to waive repayment at that time.

(f) If the renovated facility has been continuously used for purposes of the child care and development program for the entire loan period, the board shall waive repayment of the amount of the loan principal, plus interest, at the end of the loan period.

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

10472. (a) There is hereby created in the State Treasury the State Child Care Capital Outlay Fund. Notwithstanding Section 13340 of the Government Code, all moneys in the State Child Care Capital Outlay Fund, including moneys deposited in that fund from any source whatsoever, shall be continuously appropriated without regard to fiscal year for expenditure pursuant to the provisions of this

chapter. The fund shall be administered by the State Allocation Board, which may authorize the expenditure of any moneys in the fund for capital outlay projects pursuant to Section 10307 or this chapter. Funds in the State Child Care Facilities Fund set aside for the purposes of providing extended day care facilities pursuant to Section 8477 shall be transferred to the State Child Care Capital Outlay Fund upon the effective date of the act amending this section in the 1997–98 Regular Session.

(b) The department shall establish the qualifications to determine the eligibility of child care and development agencies, including those that provide preschool and extended day care services, to lease relocatable facilities under this section.

(c) Although primary use of relocatable facilities shall be for child care and development programs, including preschool and extended day care programs, those facilities may be used for other purposes if the following conditions are met:

(1) The alternative use of the facility does not infringe upon the accessibility of child care and development programs including preschool or extended day care programs.

(2) The department authorizes alternative use as being compatible with child care and development programs, including preschool or extended day care programs.

(d) The State Allocation Board, with the advice of the department, may do all of the following:

(1) Establish any procedures and policies in connection with the administration of this section that it deems necessary.

(2) Adopt any rules and regulations for the administration of this section requiring those procedures, forms, and information that it deems necessary.

(3) Have constructed, furnished, equipped, or otherwise require whatever work is necessary to place relocatable facilities for child care and development services, including preschool and extended day care services where needed.

(e) The board shall lease relocatable facilities to qualifying agencies providing child care and development services, including preschool or extended day care services, and shall charge rent of one dollar (\$1) per year. The board shall require lessees to undertake all necessary maintenance, repairs, renewal, and replacement to ensure that a project is at all times kept in good repair, working order, and condition. All costs incurred for this purpose shall be borne by the lessee. Neither the board nor the state shall assume any responsibility for utility services costs other than initial installation costs reimbursed under this chapter, and the agency shall provide adequate safeguards to protect the state's interest in this regard.

(f) The board shall require lessees to insure at their own expense for the benefit of the state, any leased relocatable facility that is the property of the state, against any risks, including liability from the use thereof, in the amounts the board deems necessary to protect the interests of the state. Neither the board nor the state shall assume any responsibility for utility services costs other than initial installation costs reimbursed under this chapter, and the agency shall provide adequate safeguards to protect the state's interest in this regard.

(g) No relocatable facilities shall be made available to an agency unless the agency furnishes evidence, satisfactory to the board, that the agency has no other facility available for rental, lease, or purchase in the geographic service area that is economically or otherwise feasible.

(h) The board shall have prepared for its use, performance specifications for relocatable facilities and bids for their construction that can be solicited from more than one responsible bidder. The board shall from time to time solicit bids from, and award to, the lowest responsible competitive bidder, contracts for the construction or purchase of relocatable facilities that have been approved for lease to eligible agencies that provide child care and development services, including preschool or extended day care services.

(i) If at any time the board determines that a lessee's need for particular relocatable facilities that were made available to the lessee pursuant to this chapter has ceased, the board may take possession of the relocatable facilities and may lease them to other eligible contracting agencies, or, if there is no longer a need for the relocatable facilities, the board may dispose of them to public or private parties in the manner it deems to be in the best interests of the state.

(j) If a lessee uses a particular relocatable facility for only a portion of the year, the board may enter into a second lease with a public or private party for the use of that facility for the portion of the year during which the facility would otherwise be unused, in the manner it deems to be in the best interests of the state. The lessee shall be subject to subdivisions (d) and (f).

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

10473. (a) The State Allocation Board shall establish regulations for the allocation of funds for capital outlay and for the reimbursement of initial utility installation costs for purposes of this chapter. The department shall establish qualifications for determining the eligibility of agencies providing child care and development services, including preschool and extended day care service, to apply for these funds.

(b) Notwithstanding any other provision of law, priority in funding of capital outlay grants or relocatables from funds administered pursuant to Section 10307 and under this chapter, shall be determined in the following order:

(1) Programs experiencing emergencies as defined by the department and the State Allocation Board.

(2) Expansion of child care services.

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

10474. The State Allocation Board may use an amount not to exceed four hundred thousand dollars (\$400,000), or 4 percent of the total funds available for the purposes of this chapter, whichever is less, in any given fiscal year for necessary administrative costs incurred pursuant to this chapter, including, but not limited to, the establishment of new administrative positions.

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

10475. (a) The State Allocation Board may use up to 5 percent of any appropriation for the purposes of this chapter to provide loans to private nonsectarian child care and development programs not under contract with the department for renovation and repair of existing program facilities, in accordance with this section.

(b) The department shall establish qualifications to determine the eligibility of child care agencies for loans pursuant to this section.

(c) The board, with any necessary assistance from the department, may do any of the following:

(1) Establish procedures and policies in connection with the administration of this section it deems necessary.

(2) Adopt rules and regulations for the administration of this section requiring procedure, forms, and information it deems necessary.

(d) A recipient of a loan pursuant to this section shall do all of the following:

(1) Document that the renovated facility shall comply with all laws and regulations applicable to child care facilities provided for pursuant to Chapter 3.4 (commencing with Section 1596.70) and Chapter 3.5 (commencing with Section 1596.90) of Division 2 of the Health and Safety Code.

(2) Demonstrate to the satisfaction of the board that it will have sufficient revenues to pay the principal and interest on the loan and to maintain the operation of the child care facility.

(e) A recipient of a loan pursuant to this section shall assure the board that the renovated facility shall be used for purposes of the child care and development program for the following periods:

(1) For loans equal to or less than thirty thousand dollars (\$30,000), not less than three years from the beginning of the loan period.

(2) For loans exceeding thirty thousand dollars (\$30,000), the fixed period of time shall increase one year for each additional ten thousand dollars (\$10,000) or part thereof, to a maximum of fifty thousand dollars (\$50,000).

(f) The board shall set the period of the loan for each recipient, up to a maximum of 10 years, based upon the amount of the loan, the recipient's ability to repay the loan, and the length of time the recipient has committed to use the renovated facility for purposes of the child care and development program.

(g) Interest on the loan principal shall be charged at a rate equal to the rate earned by the Pooled Money Investment Account.

(h) In the event that a recipient ceases to use the renovated facility for purposes of the child care and development program prior to the expiration of the period specified pursuant to subdivision (e), the board shall collect the entire outstanding balance of the loan, plus interest, notwithstanding the loan period originally set pursuant to subdivision (f).

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