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AB-108 Education: Child care: individualized county child care subsidy plans: the Every Kid Counts (EKC) Act. (2017-2018)

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Assembly Bill No. 108

CHAPTER 7

An act to amend Sections 8212, 8332, 8332.1, 8332.2, 8332.3, 8332.4, 8332.5, 8332.7, 8335.1, 8335.3, 8335.4, 8347.2, 8347.3, 8347.4, and 8499.5 of, to amend the heading of Article 15.1 (commencing with Section 8332) of Chapter 2 of Part 6 of Division 1 of Title 1 of, to add Sections 8332.25, 8332.8, and 8335.5 to, to repeal Section 8335.2 of, and to repeal Article 15.1.1 (commencing with Section 8333), Article 15.1.1 (commencing with Section 8334), Article 15.3 (commencing with Section 8340), Article 15.4.1 (commencing with Section 8348), and Article 15.4.2 (commencing with Section 8349) of Chapter 2 of Part 6 of Division 1 of Title 1 of, the Education Code, to amend Sections 99101, 99102, 99106, 99108, and 99109 of, and to repeal Section 99104 of, the Government Code, and to add Item 6980-102-0001 to, and to repeal Item 0954-101-0001 of, Section 2.00 of the Budget Act of 2017, relating to education, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor March 13, 2018. Filed with Secretary of State March 13, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

AB 108, Committee on Budget. Education: Child care: individualized county child care subsidy plans: the Every Kid Counts (EKC) Act.

(1) The Child Care and Development Services Act has a purpose of providing a comprehensive, coordinated, and cost-effective system of child care and development services for children from infancy to 13 years of age and their parents, including a full range of supervision, health, and support services through full- and part-time programs. Existing law requires the Superintendent of Public Instruction to develop standards for the implementation of quality child care programs. Existing law authorizes the Counties of Alameda, Contra Costa, Fresno, Marin, Monterey, San Benito, San Diego, Santa Clara, Santa Cruz, Solano, and Sonoma, as individual pilot projects, to develop an individualized county child care subsidy plan, as provided. Existing law repeals each of these pilot programs on specified dates.

This bill would repeal, recast, and revise the law relating to the above-specified counties' individualized subsidy plans and make related conforming changes, as provided. The bill would extend the operative dates of the individualized pilot programs by 6 months.

(2) Existing law authorizes the City and County of San Francisco and the City of San Mateo to develop and implement individualized county child care subsidy plans that include specified elements. Existing law authorizes the plans to supersede state law concerning child care subsidy programs with regard to specified factors, including eligibility criteria, as provided.

This bill would, among other things, make changes to the eligibility criteria and would allow the plans to supersede state law on ratios of four-year-old children in state preschool programs.

(3) This bill would make legislative findings and declarations as to the necessity of a special statute for the Counties of Alameda, Contra Costa, Fresno, Marin, Monterey, San Benito, San Diego, Santa Clara, Santa Cruz, Solano, and Sonoma.

(4) Existing law establishes the Every Kid Counts (EKC) Act, which requires the Scholarshare Investment Board to implement and administer a college savings program that incentivizes families to participate in a qualified tuition program established under the Golden State Scholarshare Trust Act or other college savings programs. Before implementing the program, existing law requires the board to make specified considerations, including how best to incentivize low-income families to participate in these college savings programs and whether and how proposed actions allow for rigorous evaluation of the effects of the EKC Act. Existing law requires the board and the Franchise Tax Board to exchange prescribed information in order to verify financial eligibility under these college savings programs.

This bill would revise and recast the act to instead, among other things, require the Student Aid Commission to distribute grants to local governments and other entities that sponsor one or more comprehensive citywide or regional children's savings account programs to help families establish and maintain college savings accounts. The bill would make the amount of each grant \$100,000, at a minimum, and would require each participating entity to meet certain requirements in order to receive the grant.

(5) Existing law, the Budget Act of 2017, appropriates \$3,000,000 for purposes of the Golden State Scholarshare Trust Program.

This bill would repeal that appropriation and would appropriate that amount to the Student Aid Commission for purposes of the EKC College Savings Program.

This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Vote: majority Appropriation: yes Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 8212 of the Education Code is amended to read:

8212. (a) For purposes of this article, child care resource and referral programs, established to serve a defined geographic area, shall provide the following services:

(1) (A) Identification of the full range of existing child care services through information provided by all relevant public and private agencies in the areas of service, and the development of a resource file of those services which shall be maintained and updated at least quarterly. These services shall include, but not be limited to, family day care homes, public and private day care programs, full-time and part-time programs, and infant, preschool, and extended care programs.

(B) The resource file shall include, but not be limited to, the following information:

- (i) Type of program.
- (ii) Hours of service.
- (iii) Ages of children served.
- (iv) Fees and eligibility for services.
- (v) Significant program information.

(2) (A) (i) Establishment of a referral process which responds to parental need for information and which is provided with full recognition of the confidentiality rights of parents. Resource and referral programs shall make referrals to licensed child day care facilities. Referrals shall be made to unlicensed care facilities only if there is no requirement that the facility be licensed. The referral process shall afford parents maximum access to all referral information. This access shall include, but is not limited to, telephone referrals to be made available for at least 30 hours per week as part of a full week of operation. Every effort shall be made to reach all parents within the defined geographic area, including, but not limited to, any of the following:

- (I) Toll-free telephone lines.
- (II) Office space convenient to parents and providers.
- (III) Referrals in languages which are spoken in the community.

(ii) Each child care resource and referral program shall publicize its services through all available media sources, agencies, and other appropriate methods.

(B) (i) Provision of information to any person who requests a child care referral of his or her right to view the licensing information of a licensed child day care facility required to be maintained at the facility pursuant to Section 1596.859 of the Health and Safety Code and to access any public files pertaining to the facility that are maintained by the State Department of Social Services Community Care Licensing Division.

(ii) A written or oral advisement in substantially the following form will comply with the requirements of clause (i):

“State law requires licensed child day care facilities to make accessible to the public a copy of any licensing report pertaining to the facility that documents a facility visit or a substantiated complaint investigation. In addition, a more complete file regarding a child care licensee may be available at an office of the State Department of Social Services Community Care Licensing Division. You have the right to access any public information in these files.”

(3) (A) Maintenance of ongoing documentation of requests for service tabulated through the internal referral process. The following documentation of requests for service shall be maintained by all child care resource and referral programs:

(i) Number of calls and contacts to the child care information and referral program or component.

(ii) Ages of children served.

(iii) Time category of child care request for each child.

(iv) Special time category, such as nights, weekends, and swing shift.

(v) Reason that the child care is needed.

(B) This information shall be maintained in a manner that is easily accessible for dissemination purposes and shall be accessible to local child care and development planning councils authorized pursuant to Section 8499.5 and any county implementing an individualized county child care subsidy plan.

(4) Provision of technical assistance to existing and potential providers of all types of child care services. This assistance shall include, but not be limited to:

(A) Information on all aspects of initiating new child care services including, but not limited to, licensing, zoning, program and budget development, and assistance in finding this information from other sources.

(B) Information and resources that help existing child care services providers to maximize their ability to serve the children and parents of their community.

(C) Dissemination of information on current public issues affecting the local and state delivery of child care services.

(D) Facilitation of communication between existing child care and child-related services providers in the community served.

(5) (A) (i) Provision of a child care navigator to support children in foster care, children previously in foster care upon return to their home of origin, and children of parents involved in the child welfare system, including the children of nonminor dependents. The navigator shall work with the child's family, as described in paragraph (2) of subdivision (d) of Section 11461.6 of the Welfare and Institutions Code, and the child's social worker and child and family team to assess child care opportunities appropriate to the child's age and needs, assist the family in identifying potential opportunities for an ongoing child care subsidy, assist the caregiver in completing appropriate child care program applications, and develop an overall, long-term child care plan for the child.

(ii) As a condition of receiving funds pursuant to this subparagraph, each resource and referral program shall develop and enter into a memorandum of understanding, contract, or other formal agreement with the county child welfare agency in order to facilitate interagency communication and, to the maximum extent possible, to leverage federal funding, including administrative funding, available pursuant to Title IV–E of the federal Social Security Act, to enhance the navigation support authorized under this subparagraph, or the resource and referral program shall explain, in writing, annually, why entering into a memorandum of understanding, contract, or other formal agreement with the county child welfare agency is not practical or feasible. Navigator services provided pursuant to this subparagraph shall be made available to any child in foster care, any child previously in foster care who has returned to his or her home of origin, and any child of parents involved in the child welfare system, including any child who meets the eligibility criteria for the Emergency Child Care Bridge Program for Foster Children established pursuant to Section 11461.6 of the Welfare and Institutions Code. Eligibility for navigator services shall not be contingent on a child's receipt of a child care payment or voucher.

(B) (i) Provision of trauma-informed training and coaching to child care providers working with children, and children of parenting youth, in the foster care system. Training shall include, but not be limited to, infant and toddler development and

research-based, trauma-informed best care practices. Child care providers shall be provided with coaching to assist them in applying training techniques and strategies for working with children, and children of parenting youth, in foster care.

(ii) As a condition of receiving funds pursuant to this subparagraph, each resource and referral program, in coordination with the California Child Care Resource and Referral Network, shall develop and enter into a memorandum of understanding, contract, or other formal agreement with the county child welfare agency in order to, to the maximum extent possible, leverage federal funding, including training funds, available pursuant to Title IV–E of the federal Social Security Act, to enhance the training support authorized under this subparagraph, or the resource and referral agency shall explain, in writing, annually, why entering into a memorandum of understanding, contract, or other formal agreement with the county child welfare agency is not practical or feasible.

(b) Services prescribed by this section shall be provided in order to maximize parental choice in the selection of child care to facilitate the maintenance and development of child care services and resources.

(c) (1) A program operating pursuant to this article shall, within two business days of receiving notice, remove a licensed child day care facility with a revocation or a temporary suspension order, or that is on probation from the program's referral list.

(2) A program operating pursuant to this article shall, within two business days of receiving notice, notify all entities, operating a program under Article 3 (commencing with Section 8220) and Article 15.5 (commencing with Section 8350) in the program's jurisdiction, of a licensed child day care facility with a revocation or a temporary suspension order, or that is on probation.

SEC. 2. The heading of Article 15.1 (commencing with Section 8332) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is amended to read:

Article 15.1. Individualized Counties of Alameda, Contra Costa, Fresno, Marin, Monterey, San Benito, San Diego, Santa Clara, Santa Cruz, Solano, and Sonoma Child Care Subsidy Plans

SEC. 3. Section 8332 of the Education Code is amended to read:

8332. The Counties of Alameda, Contra Costa, Fresno, Marin, Monterey, San Benito, San Diego, Santa Clara, Santa Cruz, Solano, and Sonoma may, individually as a pilot project, develop and implement individualized county child care subsidy plans. The plans shall ensure that child care subsidies received by the above-named counties are used to address local needs, conditions, and priorities of working families in their respective communities.

SEC. 4. Section 8332.1 of the Education Code is amended to read:

8332.1. For purposes of this article, "county" means the Counties of Alameda, Contra Costa, Fresno, Marin, Monterey, San Benito, San Diego, Santa Clara, Santa Cruz, Solano, and Sonoma.

SEC. 5. Section 8332.2 of the Education Code is amended to read:

8332.2. (a) For purposes of this article, "plan" means an individualized county child care subsidy plan developed and approved under the pilot project described in Section 8332, which includes all of the following:

(1) An assessment to identify the county's goals 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 county and whether the 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 county from meeting its child care goals. In conducting the assessment, the county shall consider all of the following:

(A) Needs assessment data collected pursuant to subdivision (b) of Section 8499.5.

(B) Data collected by resource and referral agencies pursuant to subparagraph (B) of paragraph (3) of subdivision (a) of Section 8212.

(C) The county's self-sufficiency income level.

(D) The cost of providing child care.

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

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

(i) Prioritize lowest income families first.

(ii) Follow the family fee schedule established pursuant to Section 8273 for those families who are income eligible, as defined by Section 8263.1, and provide the exemptions for family fees specified in Section 8273.1.

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

(iv) Identify existing policies that would be affected by the county's plan.

(v) (I) Authorize an agency that provides child care and development services in the county through a contract with the department to apply to the department to amend existing contracts in order to benefit from the local policy.

(II) The department shall approve an application to amend an existing contract if the plan or modification of the plan is approved pursuant to Section 8332.3.

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

(vi) Provide a family that qualifies for the second or third stage of child care services pursuant to Article 15.5 (commencing with Section 8350), for purposes of eligibility, fees, and reimbursements, the same or higher level of benefit as a family that qualifies for subsidized child care on another basis pursuant to the local policy, except as otherwise provided in Article 15.5 (commencing with Section 8350). Nothing in this section shall be interpreted to impact or reduce any element in the second or third stage of child care services pursuant to Article 15.5 (commencing with Section 8350) that provides a greater benefit to participating families than is provided for in the local policy.

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

(i) Eligibility criteria, including, but not limited to, age, family size, time limits, income level, and special needs considerations.

(ii) Fees, including, but not limited to, family fees, sliding scale fees, and copayments for those families who are not income eligible, as defined by Section 8263.1.

(iii) Reimbursement rates, including adjustment factors identified in Section 8265.5.

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

(v) Families with children enrolled in part-day California state preschool program services, pursuant to Article 7 (commencing with Section 8235), may be eligible for up to two 180-day periods within a 24-month period without the family being certified as a new enrollment each year.

(vi) The ratio of four-year-old children in state preschool programs pursuant to subdivision (b) of Section 8236.

(3) Recognition that all funding sources utilized by contractors that provide child care and development services in the county are eligible to be included in the county's plan.

(4) Establishment of measurable outcomes to evaluate the success of the plan to achieve the county's child care goals, and to overcome any barriers identified in the state's child care subsidy system.

(b) Nothing in this section shall be construed to permit the county to change the regional market rate survey results for the county.

(c) Nothing in this section shall allow a county to adopt as part of its pilot project an increase to the regional market reimbursement rate beyond the level provided in the annual Budget Act.

(d) A plan may include stage one child care services in addition to alternative payment and direct service child care programs. If the plan includes CalWORKs child care, pilot administrators shall consult with their county welfare department to identify opportunities for alignment, ensuring families experience no break in their child care services due to a transition between the three stages of child care services and policies implemented in the pilot project.

SEC. 6. Section 8332.25 is added to the Education Code, immediately following Section 8332.2, to read:

8332.25. The department shall establish instructions and timelines for submittal or modifications of the plans, including, but not limited to, plan templates and timelines for plan submittal and requests for addition of participating contractors.

SEC. 7. Section 8332.3 of the Education Code is amended to read:

8332.3. (a) (1) The plan shall be submitted to the local planning council, as defined in subdivision (g) of Section 8499, for approval. Upon approval of the plan by the local planning council, the board of supervisors of the county shall hold at least one public hearing on the plan. Following the hearing, if the board votes in favor of the plan, the plan shall be submitted to the department for review.

(2) Initial proposed rate changes not included in the plan shall be approved by the board of supervisors of the county prior to final approval of the plan by the department.

(b) Within 30 days of receiving the plan, the department shall review and either approve or disapprove the plan. If the plan includes stage one child care services, the plan shall also be submitted to the State Department of Social Services for review only.

(c) Plan modifications, including subsequent rate changes, shall be submitted to the local planning council, as defined in subdivision (g) of Section 8499, for approval prior to final approval of the plan by the department.

(d) Within 30 days of receiving a modification of the plan, the department shall review and either approve or disapprove that modification of the plan.

(e) The department may disapprove only those portions of a plan, or any modification of the plan, that are not in conformance with this article or that are in conflict with federal law.

SEC. 8. Section 8332.4 of the Education Code is amended to read:

8332.4. (a) The County of Santa Clara shall, by the end of the first fiscal year of operation under the approved child care subsidy plan, demonstrate, in the report required pursuant to Section 8332.5, an increase in the total aggregate child days of enrollment in child care in the county as compared to the enrollment in the final quarter of the 2015–16 fiscal year.

(b) The County of Alameda shall, by the end of the first fiscal year of operation under the approved child care subsidy plan, demonstrate, in the report required pursuant to Section 8332.5, an increase in the total aggregate child days of enrollment in child care in the county as compared to the enrollment in the final quarter of the 2014–15 fiscal year.

(c) The Counties of Contra Costa, Fresno, Marin, Monterey, San Benito, San Diego, Santa Cruz, Solano, and Sonoma shall, by the end of the first fiscal year of operation under the approved child care subsidy plan, demonstrate, in the report required pursuant to Section 8332.5, an increase in the total aggregate child days of enrollment in child care in the county as compared to the enrollment in the final quarter of the 2016–17 fiscal year.

SEC. 9. Section 8332.5 of the Education Code is amended to read:

8332.5. (a) Using a template developed by the department, the county shall prepare and submit to the Legislature, the State Department of Social Services, and the department a report that summarizes the success of the county's plan, and the county's ability to maximize the use of funds and to improve and stabilize child care in the county. The report shall be submitted as follows:

(1) At the end of year one of the plan, a report that describes the first year of implementation.

(2) At the end of year three of the plan, a report that describes years two and three of implementation.

(3) At the end of year five of the plan, a report that describes years four and five of implementation.

(b) The department shall review the reports submitted pursuant to subdivision (a), along with any applicable programmatic and fiscal compliance records submitted by the contracting agencies participating in the plan, and determine whether to allow the county to continue with the plan without change, or whether to require modifications to be made to the plan. If the plan includes CalWORKs child care, the State Department of Social Services may also review whether modifications to the plan are advised or necessary.

(c) The county shall, by the end of the first fiscal year of operation under the approved plan, demonstrate, in the report required pursuant to this section, that there was no reduction in the number of children served as compared to the number of children served before the implementation of the plan.

(d) A report to be submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.

SEC. 10. Section 8332.7 of the Education Code is amended to read:

8332.7. (a) For the County of Santa Clara, this article shall remain in effect only until July 1, 2022, and as of that date is inoperative only as to the County of Santa Clara, unless a later enacted statute, that is enacted before July 1, 2022, deletes or extends that date.

(b) For the County of Alameda, this article shall remain in effect only until July 1, 2021, and as of that date is inoperative only as to the County of Alameda, unless a later enacted statute, that is enacted before July 1, 2021, deletes or extends that date.

(c) For the Counties of Contra Costa, Fresno, Marin, Monterey, San Benito, San Diego, Santa Cruz, Solano, and Sonoma, this article shall remain in effect only until July 1, 2023, and as of that date is inoperative, unless a later enacted statute that is enacted before July 1, 2023, deletes or extends that date.

SEC. 11. Section 8332.8 is added to the Education Code, to read:

8332.8. Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the department and the State Department of Social Services may implement and administer this article through the issuance of guidance or other written directives, which may include, but is not limited to, establishing timelines for submittal of plans and any modifications, plan templates and processes for requesting additional participating contractors.

SEC. 12. Article 15.1.1 (commencing with Section 8333) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, as added by Section 2 of Chapter 703 of the Statutes of 2017, is repealed.

SEC. 13. Article 15.1.1 (commencing with Section 8334) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, as added by Section 2 of Chapter 697 of the Statutes of 2017, is repealed.

SEC. 14. Section 8335.1 of the Education Code is amended to read:

8335.1. Before 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.
- (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:

- (A) Prioritize lowest income families first.

(B) Follow the family fee schedule established pursuant to Section 8273 for those families that are income eligible, as defined by Section 8263.1.

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

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

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

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

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

(2) (A) The city and county shall, by the end of the first fiscal year of operation under the approved child care subsidy plan, demonstrate an increase in the aggregate child days of enrollment in the county as compared to the enrollment in the final quarter of the 2004–05 fiscal year.

(B) The amount of the increase shall be at least equal to the aggregate child days of enrollment in the final quarter of the 2004–05 fiscal year for all contracts amended as provided in subparagraph (E) of paragraph (1), under which the contractor receives an increase in its reimbursement rate, times 2 percent.

(C) The amount of the increase shall also be proportional to the total contract maximum reimbursable amount to reflect the changes in the budget allocation for each fiscal year of the plan.

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

(A) Provide a family that qualifies for the second or third stage of child care services pursuant to Article 15.5 (commencing with Section 8350), for purposes of eligibility, fees, and reimbursements, the same or higher level of benefit as a family that qualifies for subsidized child care on another basis pursuant to the local policy, except as otherwise provided in Article 15.5 (commencing with Section 8350). Nothing in this section shall be interpreted to impact or reduce any element in the second or third stage of child care services pursuant to Article 15.5 (commencing with Section 8350) that provides a greater benefit to participating families than is provided for in the local policy.

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

(C) Reimbursement rates, including adjustment factors identified in Section 8265.5.

(D) The ratio of four-year-old children in state preschool programs pursuant to subdivision (b) of Section 8236.

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

(F) Families with children enrolled in part-day California state preschool program services, pursuant to Article 7 (commencing with Section 8235), may be eligible for up to two 180-day periods within a 24-month period without the family being certified as a new enrollment each year.

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

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

(e) Nothing in this section shall be construed to permit the city and county to change the regional market rate survey results for the city and county.

(f) Nothing in this section shall allow the city and county to adopt as part of its plan an increase to the regional market reimbursement rate beyond the level provided in the Budget Act.

(g) The plan may include stage one child care services in addition to alternative payment and direct service child care programs. If the plan includes CalWORKs child care, the plan administrator shall consult with their county welfare department to identify opportunities for alignment, ensuring families experience no break in their child care services due to a transition between the three stages of child care services and policies implemented in the plan.

SEC. 15. Section 8335.2 of the Education Code is repealed.

SEC. 16. Section 8335.3 of the Education Code is amended to read:

8335.3. (a) The plan shall be submitted to the local planning council, as defined in subdivision (g) of Section 8499, for approval. Upon approval of the plan by the local planning council, the Board of Supervisors of the City and County of San Francisco shall hold at least one public hearing on the plan. Following the hearing, if the board of supervisors votes in favor of the plan, the plan shall be submitted to the department for review.

(b) Within 30 days of receiving the plan, the department shall review and either approve or disapprove the plan.

(c) Within 30 days of receiving any modification to the plan, the department shall review and either approve or disapprove that modification to the plan.

(d) The department may disapprove only those portions of the plan or modifications to the plan that are not in conformance with either this article or Article 15.1 (commencing with Section 8332) or that are in conflict with federal law.

SEC. 17. Section 8335.4 of the Education Code is amended to read:

8335.4. (a) The City and County of San Francisco shall, at least once every three years, using the template developed by the department, prepare and submit to the Legislature, the State Department of Social Services, and the department a report that summarizes the success of the city and county's plan, and the city and county's ability to maximize the use of funds and to improve and stabilize child care in the city and county.

(b) A report to be submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.

SEC. 18. Section 8335.5 is added to the Education Code, to read:

8335.5. Any modifications to the plan shall be submitted in conformance with the procedures established in Article 15.1 (commencing with Section 8332).

SEC. 19. Article 15.3 (commencing with Section 8340) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 20. Section 8347.2 of the Education Code is amended to read:

8347.2. For purposes of this article, "plan" means an individualized county child care subsidy plan developed and approved as described in Section 8347, which includes all of the following:

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

(5) Income eligibility levels for subsidized child care.

(6) Family fees.

(7) The cost of providing child care.

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

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

(A) Prioritize lowest income families first.

(B) Follow the family fee schedule established pursuant to Section 8273 for those families that are income eligible, as defined by Section 8263.1.

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

(D) Identify existing policies that would be affected by the county's plan.

(E) (i) Authorize any agency that provides child care and development services in the county through a contract with the department to apply to the department to amend existing contracts in order to benefit from the local policy.

(ii) The department shall approve an application to amend an existing contract if the plan is modified pursuant to Section 8347.3.

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

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

(A) Provide a family that qualifies for the second or third stage of child care services pursuant to Article 15.5 (commencing with Section 8350), for purposes of eligibility, fees, and reimbursements, the same or higher level of benefit as a family that qualifies for subsidized child care on another basis pursuant to the local policy, except as otherwise provided in Article 15.5 (commencing with Section 8350). Nothing in this section shall be interpreted to impact or reduce any element in the second or third stage of child care services pursuant to Article 15.5 (commencing with Section 8350) that provides a greater benefit to participating families than is provided for in the local policy.

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

(C) Reimbursement rates, including adjustment factors identified in Section 8265.5.

(D) The ratio of four-year-old children in state preschool programs pursuant to subdivision (b) of Section 8236.

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

(F) Families with children enrolled in part-day California state preschool program services, pursuant to Article 7 (commencing with Section 8235), may be eligible for up to two 180-day periods within a 24-month period without the family being certified as a new enrollment each year.

(c) Recognition that all funding sources utilized by direct service contractors that provide child care and development services in the county are eligible to be included in the county's plan.

(d) Establishment of measurable outcomes to evaluate the success of the plan to achieve the county's child care goals, and to overcome any barriers identified in the state's child care subsidy system.

(e) Nothing in this section shall be construed to permit the county to change the regional market rate survey results for the county.

(f) Nothing in this section shall allow the county to adopt as part of its plan an increase to the regional market reimbursement rate beyond the level provided in the Budget Act.

(g) The plan may include stage one child care services in addition to alternative payment and direct service child care programs. If the plan includes CalWORKs child care, the plan administrator shall consult with their county welfare department to identify opportunities for alignment, ensuring families experience no break in their child care services due to a transition between the three stages of child care services and policies implemented in the plan.

SEC. 21. Section 8347.3 of the Education Code is amended to read:

8347.3. (a) Except as provided in this section, any modifications to the plan shall be submitted in accordance with the modification procedures described in Article 15.1 (commencing with Section 8332).

(b) Within 30 days of receiving any modification to the plan, the department shall review and either approve or disapprove that modification to the plan.

(c) The department may disapprove only those portions of modifications to the plan that are not in conformance with either this article or Article 15.1 (commencing with Section 8332) or that are in conflict with federal law.

SEC. 22. Section 8347.4 of the Education Code is amended to read:

8347.4. (a) The county shall at least once every three years, using the template developed by the department, prepare and submit to the Legislature, the State Department of Social Services, and the department a report that summarizes the success of the county's plan, and the county's ability to maximize the use of funds and to improve and stabilize child care in the county.

(b) A report to be submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.

SEC. 23. Article 15.4.1 (commencing with Section 8348) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 24. Article 15.4.2 (commencing with Section 8349) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 25. Section 8499.5 of the Education Code is amended to read:

8499.5. (a) The department shall allocate child care funding pursuant to Chapter 2 (commencing with Section 8200) based on the amount of state and federal funding that is available.

(b) By May 30 of each year, upon approval by the county board of supervisors and the county superintendent of schools, a local planning council shall submit to the department the local priorities it has identified that reflect all child care needs in the county. To accomplish this, a local planning council shall do all of the following:

(1) Conduct an assessment of child care needs in the county no less frequently than once every five years. The department shall define and prescribe data elements to be included in the needs assessment and shall specify the format for the data reporting. The needs assessment shall also include all factors deemed appropriate by the local planning council in order to obtain an accurate picture of the comprehensive child care needs in the county. The factors include, but are not limited to, all of the following:

(A) The needs of families eligible for subsidized child care.

(B) The needs of families not eligible for subsidized child care.

(C) The waiting lists for programs funded by the department and the State Department of Social Services.

(D) The need for child care for children determined by the child protective services agency to be neglected, abused, or exploited, or at risk of being neglected, abused, or exploited.

(E) The number of children in families receiving public assistance, including CalFresh benefits, housing support, and Medi-Cal, and assistance from the Healthy Families Program and the Temporary Assistance for Needy Families (TANF) program.

(F) Family income among families with preschool or schoolage children.

(G) The number of children in migrant agricultural families who move from place to place for work or who are currently dependent for their income on agricultural employment in accordance with subdivision (a) of, and paragraphs (1) and (2) of subdivision (b) of, Section 8231.

(H) The number of children who have been determined by a regional center to require services pursuant to an individualized family service plan, or by a local educational agency to require services pursuant to an individualized education program or an individualized family service plan.

(I) The number of children in the county by primary language spoken pursuant to the department's language survey.

(J) Special needs based on geographic considerations, including rural areas.

(K) The number of children needing child care services by age cohort.

(2) Document information gathered during the needs assessment that shall include, but need not be limited to, data on supply, demand, cost, and market rates for each category of child care in the county.

(3) Encourage public input in the development of the priorities. Opportunities for public input shall include at least one public hearing during which members of the public can comment on the proposed priorities.

(4) Prepare a comprehensive countywide child care plan designed to mobilize public and private resources to address identified needs.

(5) Conduct a periodic review of child care programs funded by the department and the State Department of Social Services to determine if identified priorities are being met.

(6) Collaborate with subsidized and unsubsidized child care providers, county welfare departments, human service agencies, regional centers, job training programs, employers, integrated child and family service councils, local and state children and families commissions, parent organizations, early start family resource centers, family empowerment centers on disability, local child care resource and referral programs, and other interested parties to foster partnerships designed to meet local child care needs.

(7) Design a system to consolidate local child care waiting lists, if a centralized eligibility list is not already in existence.

(8) Coordinate part-day programs, including state preschool and Head Start, with other child care and development services to provide full-day child care.

(9) Submit the results of the needs assessment and the local priorities identified by the local planning council to the board of supervisors and the county superintendent of schools for approval before submitting them to the department.

(10) Identify at least one, but not more than two, members to serve as part of the department team that reviews and scores proposals for the provision of services funded through contracts with the department. Local planning council representatives may not review and score proposals from the geographic area covered by their own local planning council. The department shall notify each local planning council whenever this opportunity is available.

(c) The needs assessment data shall be made available to counties implementing individualized county child care subsidy plans pursuant to Article 15.5 (commencing with Section 8332).

(d) The department shall, in conjunction with the State Department of Social Services and all appropriate statewide agencies and associations, develop guidelines for use by local planning councils to assist them in conducting needs assessments that are reliable and accurate. The guidelines shall include acceptable sources of demographic and child care data, and methodologies for assessing child care supply and demand.

(e) Except as otherwise required by subdivision (c) of Section 8236, the department shall allocate funding within each county in accordance with the priorities identified by the local planning council of that county and submitted to the department pursuant to this section, unless the priorities do not meet the requirements of state or federal law.

SEC. 26. Section 99101 of the Government Code is amended to read:

99101. The Legislature finds and declares all of the following:

(a) Children who have even small savings accounts for college are three times more likely to attend, and four times more likely to graduate from, college.

(b) College enrollment among low-income students has risen but significantly lags behind the enrollment of middle- and high-income students. In 2012, about 51 percent of recent low-income high school graduates and equivalency holders were enrolled in college, while enrollment among middle- and high-income students had risen to nearly 65 percent and 81 percent, respectively.

(c) Recent pilot programs in California and throughout the nation have proven that low-income people can save if they have incentives and mechanisms encouraging them to do so.

SEC. 27. Section 99102 of the Government Code is amended to read:

99102. (a) There is hereby established the Every Kid Counts (EKC) College Savings Program.

(b) The Student Aid Commission shall implement and administer a grant program that supports local governments and other entities that sponsor one or more comprehensive citywide or regional children's savings account programs to help families, especially low-income families with young children, establish and maintain college savings accounts.

(c) The commission shall distribute grants to qualifying entities determined pursuant to subdivision (d) based on how many of these entities are eligible to receive grants pursuant to subdivision (d), the amount of available funding to award grants under the Every Kid Counts (EKC) College Savings Program, the number of students that each participating entity intends to serve under the program, and the percentage of low-income families residing in the community served by each participating entity. The amount of each grant award to a participating entity shall be, at minimum, one hundred thousand dollars (\$100,000).

(d) A qualifying entity shall meet all of the following requirements in order to receive a grant under this title:

(1) Have a college savings program in operation or development that primarily targets pupils in kindergarten and grades 1 to 6, inclusive, on or before December 31, 2018.

(2) Have moneys, in addition to funding allocated pursuant to this title, to support its college savings program.

(3) Agree to enter into an evaluation consortium that allows for independent research and evaluation of activities and outcomes associated with its college savings program.

(e) Funding allocated to participating entities pursuant to this title may be used for any of the following purposes:

(1) To award seed, matching, or incentive grants for individual family college savings accounts.

(2) For outreach efforts to educate families about local college savings programs that are in operation or development.

(3) To support an established evaluation consortium that monitors, collects data on, and provides analysis on short-term and long-term college savings program trends and the development of best practices. Support under this paragraph may include any of the following:

(A) Data collection and evaluation of college savings account creation and activity.

(B) Data collection and evaluation of the postsecondary aspirations, enrollment, and degree completion for beneficiaries of college savings accounts.

(C) Efforts to help beneficiaries of college savings accounts receive high school diplomas, or the equivalent.

(4) To fund one-time administrative costs related to the Every Kid Counts (EKC) College Savings Program.

(f) The commission shall adopt, as necessary, application procedures, forms, administrative guidelines, and other requirements for purposes of implementing and administering the Every Kid Counts (EKC) College Savings Program.

SEC. 28. Section 99104 of the Government Code is repealed.

SEC. 29. Section 99106 of the Government Code is amended to read:

99106. (a) The commission shall adopt regulations as it deems necessary to implement and administer this title.

(b) The commission may adopt regulations to implement and administer this title as emergency regulations in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2). The adoption of the regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare.

SEC. 30. Section 99108 of the Government Code is amended to read:

99108. The commission may use up to 3 percent of any legislative appropriation for this part for administration of the program.

SEC. 31. Section 99109 of the Government Code is amended to read:

99109. (a) The commission may, in implementing and administering this title, consider whether and how proposed actions allow for rigorous evaluation, such as through experimental or quasi-experimental methods, of the effects of a program established

pursuant to this title, including whether the program causes each of the following:

- (1) Families to open a college savings account.
- (2) Families to make college savings account contributions.
- (3) Children to attend college.
- (4) Children to graduate from college.

(b) Consistent with other laws, the commission may make data available to allow for the rigorous evaluation described in subdivision (a).

SEC. 32. Item 0954-101-0001 of Section 2.00 of the Budget Act of 2017 is repealed.

SEC. 33. Item 6980-102-0001 is added to Section 2.00 of the Budget Act of 2017, to read:

6980-102-0001—For local assistance, Student Aid Commission	
.....	3,000,000

Schedule:

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| (1) Every Kid Counts (EKC) College Savings Program | 3,000,000 |
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Provisions:

1. The funds appropriated in this item are for costs of the Every Kid Counts (EKC) College Savings Program, pursuant to Title 19 (commencing with Section 99100) of the Government Code. The funds appropriated in this item shall be available for encumbrance and expenditure until June 30, 2019, and available for liquidation until June 30, 2021.

SEC. 34. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances in the Counties of Alameda, Contra Costa, Fresno, Marin, Monterey, San Benito, San Diego, Santa Clara, Santa Cruz, Solano, and Sonoma. Existing law does not reflect the fiscal reality of living in these counties, some of which are high-cost counties where the cost of living is well beyond the state median level resulting in reduced access to quality child care, and in some of the other counties, the cost of operating child care programming coupled with the minimum wage increase, means families are experiencing challenges in meeting eligibility criteria for state subsidized programs. In recognition of the unintended consequences of living in a high-cost county, this act is necessary to provide children and families in the Counties of Alameda, Contra Costa, Fresno, Marin, Monterey, San Benito, San Diego, Santa Clara, Santa Cruz, Solano, and Sonoma with proper access to child care through an individualized county child care subsidy plan.

SEC. 35. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.