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AB-2626 Child care services. (2017-2018)

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Assembly Bill No. 2626

CHAPTER 945

An act to amend, repeal, and add Sections 8208, 8236, 8263, 8263.1, and 8275.5 of, and to add Sections 8236.2 and 8272.1 to, the Education Code, relating to child care services.

[Approved by Governor September 30, 2018. Filed with Secretary of State September 30, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2626, Mullin. Child care services.

(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 service through full- and part-time programs. The act requires the Superintendent of Public Instruction to adopt rules and regulations on eligibility, enrollment, and priority of services needed to implement the act. The act provides that a family, upon establishing initial eligibility or ongoing eligibility for services, shall receive those services for not less than 12 months. The act provides, as an exception to the above provision relating to receiving services for 12 months, that a family that establishes initial eligibility or ongoing eligibility on the basis of seeking employment shall receive services for not less than 6 months. The act, for purposes of establishing income eligibility for services, defines "income eligible" to mean a family has an adjusted monthly income at or below 70% the state median income, as provided.

This bill would delete the 6-month exception for families establishing initial eligibility or ongoing eligibility on the basis of seeking employment. The bill would instead define "income eligible" to mean that a family has an adjusted monthly income at or below 85% the state median income.

(2) The act requires the Superintendent to administer all California state preschool programs, which include part-day age and developmentally appropriate programs designed to facilitate the transition to kindergarten for 3- and 4-year-old children. The act defines 3-year-old children and 4-year-old children as children who will have their 3rd or 4th birthday, respectively, on or before September 1 of the fiscal year in which they are enrolled in a state preschool program.

This bill would instead define 3- and 4-year-old children as those who will have their 3rd or 4th birthday, respectively, on or before December 1 of the fiscal year in which they are enrolled in a state preschool program. The bill would authorize children who have their 3rd birthday on or after December 2 of the fiscal year, to be enrolled in a state preschool program on or after their 3rd birthday.

(3) The act requires at least $\frac{1}{2}$ of the children enrolled at a preschool site to be 4-year-old children, as provided.

This bill would delete this requirement.

(4) The act requires the Superintendent to implement a plan that establishes reasonable standards and assigned reimbursement rates, which vary with the length of the program year and the hours of service.

This bill would authorize a center-based child care agency contracting with the State Department of Education to provide center-based child care services to schedule up to 2 days of staff training, per contract period, using state reimbursement funding on specified topics.

(5) The act requires the department to promote full utilization of child care and development funds and match available unused funds with identified service needs. The act requires the department to arrange interagency adjustments between different contractors with the same type of contract when both agencies mutually agree to a temporary transfer of funds for the balance of the fiscal year.

This bill would also require the department to arrange intraagency adjustments between the state preschool program contracts and general child care contracts for the same agency and funding allocation. The bill would require the department to establish timelines for intraagency contract fund transfers. The bill would authorize the department to implement and administer these provisions through the issuance of guidance or other written directives, as provided.

(6) This bill's provisions would become operative on July 1, 2019.

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

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

SECTION 1. Section 8208 of the Education Code is amended to read:

8208. As used in this chapter:

(a) "Alternative payments" includes payments that are made by one child care agency to another agency or child care provider for the provision of child care and development services, and payments that are made by an agency to a parent for the parent's purchase of child care and development services.

(b) "Alternative payment program" means a local government agency or nonprofit organization that has contracted with the department pursuant to Section 8220.1 to provide alternative payments and to provide support services to parents and providers.

(c) "Applicant or contracting agency" means a school district, community college district, college or university, county superintendent of schools, county, city, public agency, private nontax-exempt agency, private tax-exempt agency, or other entity that is authorized to establish, maintain, or operate services pursuant to this chapter. Private agencies and parent cooperatives, duly licensed by law, shall receive the same consideration as any other authorized entity with no loss of parental decisionmaking prerogatives as consistent with the provisions of this chapter.

(d) "Assigned reimbursement rate" is that rate established by the contract with the agency and is derived by dividing the total dollar amount of the contract by the minimum child day of average daily enrollment level of service required.

(e) "Attendance" means the number of children present at a child care and development facility. "Attendance," for purposes of reimbursement, includes excused absences by children because of illness, quarantine, illness or quarantine of their parent, family emergency, or to spend time with a parent or other relative as required by a court of law or that is clearly in the best interest of the child.

(f) "Capital outlay" means the amount paid for the renovation and repair of child care and development facilities to comply with state and local health and safety standards, and the amount paid for the state purchase of relocatable child care and development facilities for lease to qualifying contracting agencies.

(g) "Caregiver" means a person who provides direct care, supervision, and guidance to children in a child care and development facility.

(h) "Child care and development facility" means a residence or building or part thereof in which child care and development services are provided.

(i) "Child care and development programs" means those programs that offer a full range of services for children from infancy to 13 years of age, for any part of a day, by a public or private agency, in centers and family child care homes. These programs include, but are not limited to, all of the following:

(1) General child care and development.

(2) Migrant child care and development.

(3) Child care provided by the California School Age Families Education Program (Article 7.1 (commencing with Section 54740) of Chapter 9 of Part 29 of Division 4 of Title 2).

(4) California state preschool program.

(5) Resource and referral.

(6) Child care and development services for children with exceptional needs.

(7) Family child care home education network.

(8) Alternative payment.

(9) Schoolage community child care.

(j) "Child care and development services" means those services designed to meet a wide variety of needs of children and their families, while their parents or guardians are working, in training, seeking employment, incapacitated, or in need of respite. These services may include direct care and supervision, instructional activities, resource and referral programs, and alternative payment arrangements.

(k) "Children at risk of abuse, neglect, or exploitation" means children who are so identified in a written referral from a legal, medical, or social service agency, or emergency shelter.

(l) "Children with exceptional needs" means either of the following:

(1) Infants and toddlers under three years of age who have been determined to be eligible for early intervention services pursuant to the California Early Intervention Services Act (Title 14 (commencing with Section 95000) of the Government Code) and its implementing regulations. These children include an infant or toddler with a developmental delay or established risk condition, or who is at high risk of having a substantial developmental disability, as defined in subdivision (a) of Section 95014 of the Government Code. These children shall have active individualized family service plans, shall be receiving early intervention services, and shall be children who require the special attention of adults in a child care setting.

(2) Children 3 to 21 years of age, inclusive, who have been determined to be eligible for special education and related services by an individualized education program team according to the special education requirements contained in Part 30 (commencing with Section 56000) of Division 4 of Title 2, and who meet eligibility criteria described in Section 56026 and, Article 2.5 (commencing with Section 56333) of Chapter 4 of Part 30 of Division 4 of Title 2, and Sections 3030 and 3031 of Title 5 of the California Code of Regulations. These children shall have an active individualized education program, shall be receiving early intervention services or appropriate special education and related services, and shall be children who require the special attention of adults in a child care setting. These children include children with intellectual disabilities, hearing impairments (including deafness), speech or language impairments, visual impairments (including blindness), serious emotional disturbance (also referred to as emotional disturbance), orthopedic impairments, autism, traumatic brain injury, other health impairments, or specific learning disabilities, who need special education and related services consistent with Section 1401(3)(A) of Title 20 of the United States Code.

(m) "Closedown costs" means reimbursements for all approved activities associated with the closing of operations at the end of each growing season for migrant child development programs only.

(n) "Cost" includes, but is not limited to, expenditures that are related to the operation of child care and development programs. "Cost" may include a reasonable amount for state and local contributions to employee benefits, including approved retirement programs, agency administration, and any other reasonable program operational costs. "Cost" may also include amounts for licensable facilities in the community served by the program, including lease payments or depreciation, downpayments, and payments of principal and interest on loans incurred to acquire, rehabilitate, or construct licensable facilities, but these costs shall not exceed fair market rents existing in the community in which the facility is located. "Reasonable and necessary costs" are costs that, in nature and amount, do not exceed what an ordinary prudent person would incur in the conduct of a competitive business.

(o) "Elementary school," as contained in former Section 425 of Title 20 of the United States Code (the National Defense Education Act of 1958, Public Law 85-864, as amended), includes early childhood education programs and all child development programs, for the purpose of the cancellation provisions of loans to students in institutions of higher learning.

(p) "Family child care home education network" means an entity organized under law that contracts with the department pursuant to Section 8245 to make payments to licensed family child care home providers and to provide educational and support services to those providers and to children and families eligible for state-subsidized child care and development services. A family child care home education network may also be referred to as a family child care home system.

(q) "Health services" include, but are not limited to, all of the following:

(1) Referral, whenever possible, to appropriate health care providers able to provide continuity of medical care.

(2) Health screening and health treatment, including a full range of immunization recorded on the appropriate state immunization form to the extent provided by the Medi-Cal Act (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code) and the Child Health and Disability Prevention Program (Article 6 (commencing with Section 124025) of Chapter 3 of Part 2 of Division 106 of the Health and Safety Code), but only to the extent that ongoing care cannot be obtained utilizing community resources.

(3) Health education and training for children, parents, staff, and providers.

(4) Followup treatment through referral to appropriate health care agencies or individual health care professionals.

(r) "Higher educational institutions" means the Regents of the University of California, the Trustees of the California State University, the Board of Governors of the California Community Colleges, and the governing bodies of any accredited private nonprofit institution of postsecondary education.

(s) "Intergenerational staff" means persons of various generations.

(t) "Limited-English-speaking-proficient and non-English-speaking-proficient children" means children who are unable to benefit fully from an English-only child care and development program as a result of either of the following:

(1) Having used a language other than English when they first began to speak.

(2) Having a language other than English predominantly or exclusively spoken at home.

(u) "Parent" means a biological parent, stepparent, adoptive parent, foster parent, caretaker relative, or any other adult living with a child who has responsibility for the care and welfare of the child.

(v) "Program director" means a person who, pursuant to Sections 8244 and 8360.1, is qualified to serve as a program director.

(w) "Proprietary child care agency" means an organization or facility providing child care, which is operated for profit.

(x) "Resource and referral programs" means programs that provide information to parents, including referrals and coordination of community resources for parents and public or private providers of care. Services frequently include, but are not limited to: technical assistance for providers, toy-lending libraries, equipment-lending libraries, toy- and equipment-lending libraries, staff development programs, health and nutrition education, and referrals to social services.

(y) "Severely disabled children" are children with exceptional needs from birth to 21 years of age, inclusive, who require intensive instruction and training in programs serving pupils with the following profound disabilities: autism, blindness, deafness, severe orthopedic impairments, serious emotional disturbances, or severe intellectual disabilities. "Severely disabled children" also include those individuals who would have been eligible for enrollment in a developmental center for handicapped pupils under Chapter 6 (commencing with Section 56800) of Part 30 of Division 4 of Title 2 as it read on January 1, 1980.

(z) "Short-term respite child care" means child care service to assist families whose children have been identified through written referral from a legal, medical, or social service agency, or emergency shelter as being neglected, abused, exploited, or homeless, or at risk of being neglected, abused, exploited, or homeless. Child care is provided for less than 24 hours per day in child care centers, treatment centers for abusive parents, family child care homes, or in the child's own home.

(aa) (1) "Site supervisor" means a person who, regardless of his or her title, has operational program responsibility for a child care and development program at a single site. A site supervisor shall hold a permit issued by the Commission on Teacher Credentialing that authorizes supervision of a child care and development program operating in a single site. The Superintendent may waive the requirements of this subdivision if the Superintendent determines that the existence of compelling need is appropriately documented.

(2) For California state preschool programs, a site supervisor may qualify under any of the provisions in this subdivision, or may qualify by holding an administrative credential or an administrative services credential. A person who meets the qualifications of a program director under both Sections 8244 and 8360.1 is also qualified under this subdivision.

(ab) "Standard reimbursement rate" means that rate established by the Superintendent pursuant to Section 8265.

(ac) "Startup costs" means those expenses an agency incurs in the process of opening a new or additional facility before the full enrollment of children.

(ad) "California state preschool program" means part-day and full-day educational programs for low-income or otherwise disadvantaged three- and four-year-old children.

(ae) "Support services" means those services that, when combined with child care and development services, help promote the healthy physical, mental, social, and emotional growth of children. Support services include, but are not limited to: protective services, parent training, provider and staff training, transportation, parent and child counseling, child development resource and referral services, and child placement counseling.

(af) "Teacher" means a person with the appropriate permit issued by the Commission on Teacher Credentialing who provides program supervision and instruction that includes supervision of a number of aides, volunteers, and groups of children.

(ag) "Underserved area" means a county or subcounty area, including, but not limited to, school districts, census tracts, or ZIP Code areas, where the ratio of publicly subsidized child care and development program services to the need for these services is low, as determined by the Superintendent.

(ah) "Workday" means the time that the parent requires temporary care for a child for any of the following reasons:

(1) To undertake training in preparation for a job.

(2) To undertake or retain a job.

(3) To undertake other activities that are essential to maintaining or improving the social and economic function of the family, are beneficial to the community, or are required because of health problems in the family.

(ai) "Three-year-old children" means children who will have their third birthday on or before the date specified of the fiscal year in which they are enrolled in a California state preschool program, as follows:

(1) November 1 of the 2012–13 fiscal year.

(2) October 1 of the 2013–14 fiscal year.

(3) September 1 of the 2014–15 fiscal year and each fiscal year thereafter.

(aj) "Four-year-old children" means children who will have their fourth birthday on or before the date specified of the fiscal year in which they are enrolled in a California state preschool program, as follows:

(1) November 1 of the 2012–13 fiscal year.

(2) October 1 of the 2013–14 fiscal year.

(3) September 1 of the 2014–15 fiscal year and each fiscal year thereafter.

(ak) "Homeless children and youth" has the same meaning as defined in Section 11434a(2) of the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11301 et seq.).

(al) "Local educational agency" means a school district, a county office of education, a community college district, or a school district acting on behalf of one or more schools within the school district.

This section shall become inoperative on July 1, 2019, and, as of January 1, 2020, is repealed.

SEC. 2. Section 8208 is added to the Education Code, to read:

8208. As used in this chapter:

(a) "Alternative payments" includes payments that are made by one child care agency to another agency or child care provider for the provision of child care and development services, and payments that are made by an agency to a parent for the parent's purchase of child care and development services.

(b) "Alternative payment program" means a local government agency or nonprofit organization that has contracted with the department pursuant to Section 8220.1 to provide alternative payments and to provide support services to parents and providers.

(c) "Applicant or contracting agency" means a school district, community college district, college or university, county superintendent of schools, county, city, public agency, private nontax-exempt agency, private tax-exempt agency, or other entity that is authorized to establish, maintain, or operate services pursuant to this chapter. Private agencies and parent cooperatives, duly licensed by law, shall receive the same consideration as any other authorized entity with no loss of parental decisionmaking prerogatives as consistent with the provisions of this chapter.

(d) "Assigned reimbursement rate" is that rate established by the contract with the agency and is derived by dividing the total dollar amount of the contract by the minimum child day of average daily enrollment level of service required.

(e) "Attendance" means the number of children present at a child care and development facility. "Attendance," for purposes of reimbursement, includes excused absences by children because of illness, quarantine, illness or quarantine of their parent, family emergency, or to spend time with a parent or other relative as required by a court of law or that is clearly in the best interest of the child.

(f) "Capital outlay" means the amount paid for the renovation and repair of child care and development facilities to comply with state and local health and safety standards, and the amount paid for the state purchase of relocatable child care and development facilities for lease to qualifying contracting agencies.

(g) "Caregiver" means a person who provides direct care, supervision, and guidance to children in a child care and development facility.

(h) "Child care and development facility" means a residence or building or part thereof in which child care and development services are provided.

(i) "Child care and development programs" means those programs that offer a full range of services for children from infancy to 13 years of age, for any part of a day, by a public or private agency, in centers and family child care homes. These programs include, but are not limited to, all of the following:

(1) General child care and development.

(2) Migrant child care and development.

(3) Child care provided by the California School Age Families Education Program (Article 7.1 (commencing with Section 54740) of Chapter 9 of Part 29 of Division 4 of Title 2).

(4) California state preschool program.

(5) Resource and referral.

(6) Child care and development services for children with exceptional needs.

(7) Family child care home education network.

(8) Alternative payment.

(9) Schoolage community child care.

(j) "Child care and development services" means those services designed to meet a wide variety of needs of children and their families, while their parents or guardians are working, in training, seeking employment, incapacitated, or in need of respite. These services may include direct care and supervision, instructional activities, resource and referral programs, and alternative payment arrangements.

(k) "Children at risk of abuse, neglect, or exploitation" means children who are so identified in a written referral from a legal, medical, or social service agency, or emergency shelter.

(l) "Children with exceptional needs" means either of the following:

(1) Infants and toddlers under three years of age who have been determined to be eligible for early intervention services pursuant to the California Early Intervention Services Act (Title 14 (commencing with Section 95000) of the Government Code) and its implementing regulations. These children include an infant or toddler with a developmental delay or established risk condition, or who is at high risk of having a substantial developmental disability, as defined in subdivision (a) of Section 95014 of the Government Code. These children shall have active individualized family service plans, shall be receiving early intervention services, and shall be children who require the special attention of adults in a child care setting.

(2) Children 3 to 21 years of age, inclusive, who have been determined to be eligible for special education and related services by an individualized education program team according to the special education requirements contained in Part 30 (commencing with Section 56000) of Division 4 of Title 2, and who meet eligibility criteria described in Section 56026 and, Article 2.5 (commencing with Section 56333) of Chapter 4 of Part 30 of Division 4 of Title 2, and Sections 3030 and 3031 of Title 5 of the California Code of Regulations. These children shall have an active individualized education program, shall be receiving early intervention services or appropriate special education and related services, and shall be children who require the special attention of adults in a child care setting. These children include children with intellectual disabilities, hearing

impairments (including deafness), speech or language impairments, visual impairments (including blindness), serious emotional disturbance (also referred to as emotional disturbance), orthopedic impairments, autism, traumatic brain injury, other health impairments, or specific learning disabilities, who need special education and related services consistent with Section 1401(3)(A) of Title 20 of the United States Code.

(m) "Closedown costs" means reimbursements for all approved activities associated with the closing of operations at the end of each growing season for migrant child development programs only.

(n) "Cost" includes, but is not limited to, expenditures that are related to the operation of child care and development programs. "Cost" may include a reasonable amount for state and local contributions to employee benefits, including approved retirement programs, agency administration, and any other reasonable program operational costs. "Cost" may also include amounts for licensable facilities in the community served by the program, including lease payments or depreciation, downpayments, and payments of principal and interest on loans incurred to acquire, rehabilitate, or construct licensable facilities, but these costs shall not exceed fair market rents existing in the community in which the facility is located. "Reasonable and necessary costs" are costs that, in nature and amount, do not exceed what an ordinary prudent person would incur in the conduct of a competitive business.

(o) "Elementary school," as contained in former Section 425 of Title 20 of the United States Code (the National Defense Education Act of 1958, Public Law 85-864, as amended), includes early childhood education programs and all child development programs, for the purpose of the cancellation provisions of loans to students in institutions of higher learning.

(p) "Family child care home education network" means an entity organized under law that contracts with the department pursuant to Section 8245 to make payments to licensed family child care home providers and to provide educational and support services to those providers and to children and families eligible for state-subsidized child care and development services. A family child care home education network may also be referred to as a family child care home system.

(q) "Health services" include, but are not limited to, all of the following:

(1) Referral, whenever possible, to appropriate health care providers able to provide continuity of medical care.

(2) Health screening and health treatment, including a full range of immunization recorded on the appropriate state immunization form to the extent provided by the Medi-Cal Act (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code) and the Child Health and Disability Prevention Program (Article 6 (commencing with Section 124025) of Chapter 3 of Part 2 of Division 106 of the Health and Safety Code), but only to the extent that ongoing care cannot be obtained utilizing community resources.

(3) Health education and training for children, parents, staff, and providers.

(4) Followup treatment through referral to appropriate health care agencies or individual health care professionals.

(r) "Higher educational institutions" means the Regents of the University of California, the Trustees of the California State University, the Board of Governors of the California Community Colleges, and the governing bodies of any accredited private nonprofit institution of postsecondary education.

(s) "Intergenerational staff" means persons of various generations.

(t) "Limited-English-speaking-proficient and non-English-speaking-proficient children" means children who are unable to benefit fully from an English-only child care and development program as a result of either of the following:

(1) Having used a language other than English when they first began to speak.

(2) Having a language other than English predominantly or exclusively spoken at home.

(u) "Parent" means a biological parent, stepparent, adoptive parent, foster parent, caretaker relative, or any other adult living with a child who has responsibility for the care and welfare of the child.

(v) "Program director" means a person who, pursuant to Sections 8244 and 8360.1, is qualified to serve as a program director.

(w) "Proprietary child care agency" means an organization or facility providing child care, which is operated for profit.

(x) "Resource and referral programs" means programs that provide information to parents, including referrals and coordination of community resources for parents and public or private providers of care. Services frequently include, but are not limited to: technical assistance for providers, toy-lending libraries, equipment-lending libraries, toy- and equipment-lending libraries, staff development programs, health and nutrition education, and referrals to social services.

(y) "Severely disabled children" are children with exceptional needs from birth to 21 years of age, inclusive, who require intensive instruction and training in programs serving pupils with the following profound disabilities: autism, blindness, deafness, severe orthopedic impairments, serious emotional disturbances, or severe intellectual disabilities. "Severely disabled children" also include those individuals who would have been eligible for enrollment in a developmental center for handicapped pupils under Chapter 6 (commencing with Section 56800) of Part 30 of Division 4 of Title 2 as it read on January 1, 1980.

(z) "Short-term respite child care" means child care service to assist families whose children have been identified through written referral from a legal, medical, or social service agency, or emergency shelter as being neglected, abused, exploited, or homeless, or at risk of being neglected, abused, exploited, or homeless. Child care is provided for less than 24 hours per day in child care centers, treatment centers for abusive parents, family child care homes, or in the child's own home.

(aa) (1) "Site supervisor" means a person who, regardless of his or her title, has operational program responsibility for a child care and development program at a single site. A site supervisor shall hold a permit issued by the Commission on Teacher Credentialing that authorizes supervision of a child care and development program operating in a single site. The Superintendent may waive the requirements of this subdivision if the Superintendent determines that the existence of compelling need is appropriately documented.

(2) For California state preschool programs, a site supervisor may qualify under any of the provisions in this subdivision, or may qualify by holding an administrative credential or an administrative services credential. A person who meets the qualifications of a program director under both Sections 8244 and 8360.1 is also qualified under this subdivision.

(ab) "Standard reimbursement rate" means that rate established by the Superintendent pursuant to Section 8265.

(ac) "Startup costs" means those expenses an agency incurs in the process of opening a new or additional facility before the full enrollment of children.

(ad) "California state preschool program" means part-day and full-day educational programs for low-income or otherwise disadvantaged three- and four-year-old children.

(ae) "Support services" means those services that, when combined with child care and development services, help promote the healthy physical, mental, social, and emotional growth of children. Support services include, but are not limited to: protective services, parent training, provider and staff training, transportation, parent and child counseling, child development resource and referral services, and child placement counseling.

(af) "Teacher" means a person with the appropriate permit issued by the Commission on Teacher Credentialing who provides program supervision and instruction that includes supervision of a number of aides, volunteers, and groups of children.

(ag) "Underserved area" means a county or subcounty area, including, but not limited to, school districts, census tracts, or ZIP Code areas, where the ratio of publicly subsidized child care and development program services to the need for these services is low, as determined by the Superintendent.

(ah) "Workday" means the time that the parent requires temporary care for a child for any of the following reasons:

(1) To undertake training in preparation for a job.

(2) To undertake or retain a job.

(3) To undertake other activities that are essential to maintaining or improving the social and economic function of the family, are beneficial to the community, or are required because of health problems in the family.

(ai) "Three-year-old children" means children who will have their third birthday on or before December 1 of the fiscal year in which they are enrolled in a California state preschool program. Children who have their third birthday on or after December 2 of the fiscal year, may be enrolled in a California state preschool program on or after their third birthday. Any child under four years of age shall be served in a California state preschool program facility, licensed in accordance with Title 22 of the California Code of Regulations.

(aj) "Four-year-old children" means children who will have their fourth birthday on or before December 1 of the fiscal year in which they are enrolled in a California state preschool program.

(ak) "Homeless children and youth" has the same meaning as defined in Section 11434a(2) of the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11301 et seq.).

(al) "Local educational agency" means a school district, a county office of education, a community college district, or a school district acting on behalf of one or more schools within the school district.

This section shall become operative on July 1, 2019.

SEC. 3. Section 8236 of the Education Code is amended to read:

8236. (a) (1) Each applicant or contracting agency funded pursuant to Section 8235 shall give first priority to three- or four-year-old neglected or abused children who are recipients of child protective services, or who are at risk of being neglected, abused, or exploited upon written referral from a legal, medical, or social service agency. If an agency is unable to enroll a child in this first priority category, the agency shall refer the child's parent or guardian to local resources and referral services so that services for the child can be located.

(2) Notwithstanding Section 8263, after children in the first priority category set forth in paragraph (1) are enrolled, each agency funded pursuant to Section 8235 shall give priority to eligible four-year-old children who are not enrolled in a state-funded transitional kindergarten program before enrolling eligible three-year-old children. Each agency shall certify to the Superintendent that enrollment priority is being given to eligible four-year-old children.

(b) For California state preschool programs operating with funding that was initially allocated in a prior fiscal year, at least one-half of the children enrolled at a preschool site shall be four-year-old children. Any exception to this requirement shall be approved by the Superintendent. The Superintendent shall inform the Department of Finance of any exceptions that have been granted and the reasons for granting the exceptions.

(c) (1) (A) Commencing June 15, 2015, and notwithstanding any other law, in awarding new funding for the expansion of a California state preschool program that is appropriated by the Legislature for that purpose in any fiscal year, the Superintendent, after taking into account the geographic criteria established pursuant to Section 8279.3 and the data described in subparagraph (B), shall give priority to applicant agencies that, in expending the expansion funds, will provide the greatest progress toward achieving access to full-day, full-year services for all income-eligible four-year-old children.

(B) In awarding funding pursuant to subparagraph (A) and in order to promote access for all income-eligible four-year-old children to at least a part-day California state preschool program, the department shall take into account the needs assessments submitted to the department pursuant to Section 8499.5 and any other high-quality data resources available to the department.

(2) Expansion funding awarded pursuant to paragraph (1) shall be apportioned at the rate described in Section 8265 and as determined in the annual Budget Act.

(3) A family child care home education network shall be eligible to apply for expansion funding awarded pursuant to paragraph (1).

(d) This section does not preclude a local educational agency from subcontracting with an appropriate public or private agency to operate a California state preschool program and to apply for funds made available for purposes of this section. If a school district chooses not to operate or subcontract for a California state preschool program, the Superintendent shall work with the county office of education and other eligible agencies to explore possible opportunities in contracting or alternative subcontracting to provide a California state preschool program.

(e) This section does not prevent eligible children who are receiving services from continuing to receive those services in future years pursuant to this chapter.

(f) This section shall become inoperative on July 1, 2019, and, as of January 1, 2020, is repealed.

SEC. 4. Section 8236 is added to the Education Code, to read:

8236. (a) (1) Each applicant or contracting agency funded pursuant to Section 8235 shall give first priority to three- or four-year-old neglected or abused children who are recipients of child protective services, or who are at risk of being neglected, abused, or exploited upon written referral from a legal, medical, or social service agency. If an agency is unable to enroll a child in this first priority category, the agency shall refer the child's parent or guardian to local resources and referral services so that services for the child can be located.

(2) Notwithstanding Section 8263, after children in the first priority category set forth in paragraph (1) are enrolled, each agency funded pursuant to Section 8235 shall give priority to eligible four-year-old children who are not enrolled in a state-funded transitional kindergarten program before enrolling eligible three-year-old children. Each agency shall certify to the Superintendent that enrollment priority is being given to eligible four-year-old children.

(b) (1) (A) Commencing June 15, 2015, and notwithstanding any other law, in awarding new funding for the expansion of a California state preschool program that is appropriated by the Legislature for that purpose in any fiscal year, the Superintendent, after taking into account the geographic criteria established pursuant to Section 8279.3 and the data described in subparagraph

(B), shall give priority to applicant agencies that, in expending the expansion funds, will provide the greatest progress toward achieving access to full-day, full-year services for all income-eligible four-year-old children.

(B) In awarding funding pursuant to subparagraph (A) and in order to promote access for all income-eligible four-year-old children to at least a part-day California state preschool program, the department shall take into account the needs assessments submitted to the department pursuant to Section 8499.5 and any other high-quality data resources available to the department.

(2) Expansion funding awarded pursuant to paragraph (1) shall be apportioned at the rate described in Section 8265 and as determined in the annual Budget Act.

(3) A family child care home education network shall be eligible to apply for expansion funding awarded pursuant to paragraph (1).

(c) This section does not preclude a local educational agency from subcontracting with an appropriate public or private agency to operate a California state preschool program and to apply for funds made available for purposes of this section. If a school district chooses not to operate or subcontract for a California state preschool program, the Superintendent shall work with the county office of education and other eligible agencies to explore possible opportunities in contracting or alternative subcontracting to provide a California state preschool program.

(d) This section does not prevent eligible children who are receiving services from continuing to receive those services in future years pursuant to this chapter.

(e) This section shall become operative on July 1, 2019.

SEC. 5. Section 8236.2 is added to the Education Code, to read:

8236.2. (a) The department shall promote full utilization of child care and development funds and match available unused funds with identified service needs. The department shall arrange intraagency adjustments between California state preschool contracts and general child care contracts for the same agency and funding allocation. The department shall establish timelines for intraagency contract fund transfers.

(b) Notwithstanding the rulemaking provision 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 may implement and administer this section through the issuance of guidance or other written directives, which may include, but is not limited to, establishing timelines for submittal of requests to transfer funds.

(c) This section shall become operative on July 1, 2019.

SEC. 6. Section 8263 of the Education Code is amended to read:

8263. (a) (1) The Superintendent shall adopt rules and regulations on eligibility, enrollment, and priority of services needed to implement this chapter. In order to be eligible for federal and state subsidized child development services, families shall meet at least one requirement in each of the following areas:

(A) A family is (i) a current aid recipient, (ii) income eligible, (iii) homeless, or (iv) one whose children are recipients of protective services, or whose children have been identified as being abused, neglected, or exploited, or at risk of being abused, neglected, or exploited.

(B) A family needs the child care services (i) because the child is identified by a legal, medical, or social services agency, a local educational agency liaison for homeless children and youths designated pursuant to Section 11432(g)(1)(J)(ii) of Title 42 of the United States Code, a Head Start program, or an emergency or transitional shelter as (I) a recipient of protective services, (II) being neglected, abused, or exploited, or at risk of neglect, abuse, or exploitation, or (III) being homeless or (ii) because the parents are (I) engaged in vocational training leading directly to a recognized trade, paraprofession, or profession, (II) engaged in an educational program for English language learners or to attain a high school diploma or general educational development certificate, (III) employed or seeking employment, (IV) seeking permanent housing for family stability, or (V) incapacitated.

(2) If only one parent has signed an application for enrollment in child care services, as required by this chapter or regulations adopted to implement this chapter, and the information provided on the application indicates that there is a second parent who has not signed the application, the parent who has signed the application shall self-certify the presence or absence of the second parent under penalty of perjury. The parent who has signed the application shall not be required to submit additional information documenting the presence or absence of the second parent.

(b) Except as provided in Article 15.5 (commencing with Section 8350), priority for federal and state subsidized child development services is as follows:

(1) First priority shall be given to neglected or abused children who are recipients of child protective services, or children who are at risk of being neglected or abused, upon written referral from a legal, medical, or social services agency. If an agency is unable to enroll a child in the first priority category, the agency shall refer the family to local resource and referral services to locate services for the child.

(2) Second priority shall be given equally to eligible families, regardless of the number of parents in the home, who are income eligible. Within this priority, families with the lowest gross monthly income in relation to family size, as determined by a schedule adopted by the Superintendent, shall be admitted first. If two or more families are in the same priority in relation to income, the family that has a child with exceptional needs shall be admitted first. If there is no family of the same priority with a child with exceptional needs, the same priority family that has been on the waiting list for the longest time shall be admitted first. For purposes of determining order of admission, the grants of public assistance recipients shall be counted as income.

(3) The Superintendent shall set criteria for, and may grant specific waivers of, the priorities established in this subdivision for agencies that wish to serve specific populations, including children with exceptional needs or children of prisoners. These new waivers shall not include proposals to avoid appropriate fee schedules or admit ineligible families, but may include proposals to accept members of special populations in other than strict income order, as long as appropriate fees are paid.

(c) Notwithstanding any other law, in order to promote continuity of services, a family enrolled in a state or federally funded child care and development program whose services would otherwise be terminated because the family no longer meets the program income, eligibility, or need criteria may continue to receive child development services in another state or federally funded child care and development program if the contractor is able to transfer the family's enrollment to another program for which the family is eligible before the date of termination of services or to exchange the family's existing enrollment with the enrollment of a family in another program, provided that both families satisfy the eligibility requirements for the program in which they are being enrolled. The transfer of enrollment may be to another program within the same administrative agency or to another agency that administers state or federally funded child care and development programs.

(d) A physical examination and evaluation, including age-appropriate immunization, shall be required before, or within six weeks of, enrollment. A standard, rule, or regulation shall not require medical examination or immunization for admission to a child care and development program of a child whose parent or guardian files a letter with the governing board of the child care and development program stating that the medical examination or immunization is contrary to his or her religious beliefs, or provide for the exclusion of a child from the program because of a parent or guardian having filed the letter. However, if there is good cause to believe that a child is suffering from a recognized contagious or infectious disease, the child shall be temporarily excluded from the program until the governing board of the child care and development program is satisfied that the child is not suffering from that contagious or infectious disease.

(e) Regulations formulated and promulgated pursuant to this section shall include the recommendations of the State Department of Health Care Services relative to health care screening and the provision of health care services. The Superintendent shall seek the advice and assistance of these health authorities in situations where service under this chapter includes or requires care of children who are ill or children with exceptional needs.

(f) The Superintendent shall establish guidelines for the collection of employer-sponsored child care benefit payments from a parent whose child receives subsidized child care and development services. These guidelines shall provide for the collection of the full amount of the benefit payment, but not to exceed the actual cost of child care and development services provided, notwithstanding the applicable fee based on the fee schedule.

(g) The Superintendent shall establish guidelines according to which the director or a duly authorized representative of the child care and development program will certify children as eligible for state reimbursement pursuant to this section.

(h) (1) Except as provided in paragraphs (2) to (4), inclusive, upon establishing initial eligibility or ongoing eligibility for services under this chapter, a family shall be considered to meet all eligibility and need requirements for those services for not less than 12 months, shall receive those services for not less than 12 months before having their eligibility or need recertified, and shall not be required to report changes to income or other changes for at least 12 months.

(2) A family that establishes initial eligibility or ongoing eligibility on the basis of income shall report increases in income that exceed the threshold for ongoing income eligibility as described in subdivision (b) of Section 8263.1, and the family's ongoing eligibility for services shall at that time be recertified.

(3) A family that establishes initial eligibility or ongoing eligibility on the basis of seeking employment shall receive services under this chapter as follows:

(A) If seeking employment is the basis for initial eligibility, the family shall receive services under this chapter for not less than six months.

(B) If, at the time of recertification, the only basis established for ongoing eligibility is a parent's need to seek employment, the family shall receive services for no less than six months.

(4) A family may at any time voluntarily report income or other changes. This information shall be used, as applicable, to reduce the family's fees, increase the family's services, or extend the period of the family's eligibility before recertification.

(i) (1) Because a family that meets eligibility requirements at its most recent eligibility certification or recertification is considered eligible until the next recertification, as provided in subdivision (h), a payment made by a child development program for a child during this period shall not be considered an error or an improper payment due to a change in the family's circumstances during that same period.

(2) Notwithstanding paragraph (1), the Superintendent or his or her designated agent may seek to recover payments that are the result of fraud.

(j) (1) 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) and Section 33308.5 of this code, until regulations are filed with the Secretary of State to implement subdivision (h), the department shall implement subdivision (h) through management bulletins or similar letters of instruction on or before October 1, 2017.

(2) The department shall initiate a rulemaking action to implement subdivision (h) on or before December 31, 2018. The department shall convene a workgroup of parents, advocates, department staff, child development program representatives, and other stakeholders to develop recommendations regarding implementing subdivision (h).

(k) Public funds shall not be paid directly or indirectly to an agency that does not pay at least the minimum wage to each of its employees.

(l) This section shall become inoperative on July 1, 2019, and, as of January 1, 2020, is repealed.

SEC. 7. Section 8263 is added to the Education Code, to read:

8263. (a) (1) The Superintendent shall adopt rules and regulations on eligibility, enrollment, and priority of services needed to implement this chapter. In order to be eligible for federal and state subsidized child development services, families shall meet at least one requirement in each of the following areas:

(A) A family is (i) a current aid recipient, (ii) income eligible, (iii) homeless, or (iv) one whose children are recipients of protective services, or whose children have been identified as being abused, neglected, or exploited, or at risk of being abused, neglected, or exploited.

(B) A family needs the child care services (i) because the child is identified by a legal, medical, or social services agency, a local educational agency liaison for homeless children and youths designated pursuant to Section 11432(g)(1)(J)(ii) of Title 42 of the United States Code, a Head Start program, or an emergency or transitional shelter as (I) a recipient of protective services, (II) being neglected, abused, or exploited, or at risk of neglect, abuse, or exploitation, or (III) being homeless or (ii) because the parents are (I) engaged in vocational training leading directly to a recognized trade, paraprofession, or profession, (II) engaged in an educational program for English language learners or to attain a high school diploma or general educational development certificate, (III) employed or seeking employment, (IV) seeking permanent housing for family stability, or (V) incapacitated.

(2) If only one parent has signed an application for enrollment in child care services, as required by this chapter or regulations adopted to implement this chapter, and the information provided on the application indicates that there is a second parent who has not signed the application, the parent who has signed the application shall self-certify the presence or absence of the second parent under penalty of perjury. The parent who has signed the application shall not be required to submit additional information documenting the presence or absence of the second parent.

(b) Except as provided in Article 15.5 (commencing with Section 8350), priority for federal and state subsidized child development services is as follows:

(1) First priority shall be given to neglected or abused children who are recipients of child protective services, or children who are at risk of being neglected or abused, upon written referral from a legal, medical, or social services agency. If an agency is unable to enroll a child in the first priority category, the agency shall refer the family to local resource and referral services to locate services for the child.

(2) Second priority shall be given equally to eligible families, regardless of the number of parents in the home, who are income eligible. Within this priority, families with the lowest gross monthly income in relation to family size, as determined by a schedule adopted by the Superintendent, shall be admitted first. If two or more families are in the same priority in relation to income, the family that has a child with exceptional needs shall be admitted first. If there is no family of the same priority with a child with exceptional needs, the same priority family that has been on the waiting list for the longest time shall be admitted first. For purposes of determining order of admission, the grants of public assistance recipients shall be counted as income.

(3) The Superintendent shall set criteria for, and may grant specific waivers of, the priorities established in this subdivision for agencies that wish to serve specific populations, including children with exceptional needs or children of prisoners. These new waivers shall not include proposals to avoid appropriate fee schedules or admit ineligible families, but may include proposals to accept members of special populations in other than strict income order, as long as appropriate fees are paid.

(c) Notwithstanding any other law, in order to promote continuity of services, a family enrolled in a state or federally funded child care and development program whose services would otherwise be terminated because the family no longer meets the program income, eligibility, or need criteria may continue to receive child development services in another state or federally funded child care and development program if the contractor is able to transfer the family's enrollment to another program for which the family is eligible before the date of termination of services or to exchange the family's existing enrollment with the enrollment of a family in another program, provided that both families satisfy the eligibility requirements for the program in which they are being enrolled. The transfer of enrollment may be to another program within the same administrative agency or to another agency that administers state or federally funded child care and development programs.

(d) A physical examination and evaluation, including age-appropriate immunization, shall be required before, or within six weeks of, enrollment. A standard, rule, or regulation shall not require medical examination or immunization for admission to a child care and development program of a child whose parent or guardian files a letter with the governing board of the child care and development program stating that the medical examination or immunization is contrary to his or her religious beliefs, or provide for the exclusion of a child from the program because of a parent or guardian having filed the letter. However, if there is good cause to believe that a child is suffering from a recognized contagious or infectious disease, the child shall be temporarily excluded from the program until the governing board of the child care and development program is satisfied that the child is not suffering from that contagious or infectious disease.

(e) Regulations formulated and promulgated pursuant to this section shall include the recommendations of the State Department of Health Care Services relative to health care screening and the provision of health care services. The Superintendent shall seek the advice and assistance of these health authorities in situations where service under this chapter includes or requires care of children who are ill or children with exceptional needs.

(f) The Superintendent shall establish guidelines for the collection of employer-sponsored child care benefit payments from a parent whose child receives subsidized child care and development services. These guidelines shall provide for the collection of the full amount of the benefit payment, but not to exceed the actual cost of child care and development services provided, notwithstanding the applicable fee based on the fee schedule.

(g) The Superintendent shall establish guidelines according to which the director or a duly authorized representative of the child care and development program will certify children as eligible for state reimbursement pursuant to this section.

(h) (1) Except as provided in paragraphs (2) and (3), upon establishing initial eligibility or ongoing eligibility for services under this chapter, a family shall be considered to meet all eligibility and need requirements for those services for not less than 12 months, shall receive those services for not less than 12 months before having their eligibility or need recertified, and shall not be required to report changes to income or other changes for at least 12 months.

(2) A family that establishes initial eligibility or ongoing eligibility on the basis of income shall report increases in income that exceed the threshold for ongoing income eligibility as described in subdivision (b) of Section 8263.1, and the family's ongoing eligibility for services shall at that time be recertified.

(3) A family may at any time voluntarily report income or other changes. This information shall be used, as applicable, to reduce the family's fees, increase the family's services, or extend the period of the family's eligibility before recertification.

(i) (1) Because a family that meets eligibility requirements at its most recent eligibility certification or recertification is considered eligible until the next recertification, as provided in subdivision (h), a payment made by a child development program for a child during this period shall not be considered an error or an improper payment due to a change in the family's circumstances during that same period.

(2) Notwithstanding paragraph (1), the Superintendent or his or her designated agent may seek to recover payments that are the result of fraud.

(j) (1) 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) and Section 33308.5 of this code, until regulations are filed with the Secretary of State to implement subdivision (h), the department shall implement subdivision (h) through management bulletins or similar letters of instruction on or before October 1, 2017.

(2) The department shall initiate a rulemaking action to implement subdivision (h) on or before December 31, 2018. The department shall convene a workgroup of parents, advocates, department staff, child development program representatives, and other stakeholders to develop recommendations regarding implementing subdivision (h).

(k) Public funds shall not be paid directly or indirectly to an agency that does not pay at least the minimum wage to each of its employees.

(l) This section shall become operative on July 1, 2019.

SEC. 8. Section 8263.1 of the Education Code is amended to read:

8263.1. (a) For purposes of establishing initial income eligibility for services under this chapter, "income eligible" means that a family's adjusted monthly income is at or below 70 percent of the state median income, adjusted for family size, as specified in subdivision (c).

(b) For purposes of establishing ongoing income eligibility under this chapter, "ongoing income eligible" means that a family's adjusted monthly income is at or below 85 percent of the state median income, adjusted for family size, as specified in subdivision (c).

(c) The Department of Finance shall calculate the state median income for family sizes of one to four, inclusive, by using the most recent census data available on state median family income in the past 12 months by family size. The Department of Finance shall calculate the state median income for family sizes of five and above by using the most recent census data for a family of four and multiplying this number by the ratios for the appropriate family size used in the federal Low-Income Home Energy Assistance Program (42 U.S.C. Sec. 8621 et seq.) and specified in federal regulations at paragraphs (5), (6), and (7) of subdivision (b) of Section 96.85 of Title 45 of the Code of Federal Regulations. The Department of Finance shall update its calculations of the state median income for families according to the methodology provided in this subdivision and provide the updated data to the department no later than March 1 of each fiscal year.

(d) The income of a recipient of federal supplemental security income benefits pursuant to Title XVI of the federal Social Security Act (42 U.S.C. Sec. 1381 et seq.) and state supplemental program benefits pursuant to Title XVI of the federal Social Security Act and Chapter 3 (commencing with Section 12000) of Part 3 of Division 9 of the Welfare and Institutions Code shall not be included as income for purposes of determining eligibility for child care under this chapter.

(e) This section shall become inoperative on July 1, 2019, and, as of January 1, 2020, is repealed.

SEC. 9. Section 8263.1 is added to the Education Code, to read:

8263.1. (a) For purposes of establishing initial income eligibility for services under this chapter, "income eligible" means that a family's adjusted monthly income is at or below 85 percent of the state median income, adjusted for family size, as specified in subdivision (c).

(b) For purposes of establishing ongoing income eligibility under this chapter, "ongoing income eligible" means that a family's adjusted monthly income is at or below 85 percent of the state median income, adjusted for family size, as specified in subdivision (c).

(c) The Department of Finance shall calculate the state median income for family sizes of one to four, inclusive, by using the most recent census data available on state median family income in the past 12 months by family size. The Department of Finance shall calculate the state median income for family sizes of five and above by using the most recent census data for a family of four and multiplying this number by the ratios for the appropriate family size used in the federal Low-Income Home Energy Assistance Program (42 U.S.C. Sec. 8621 et seq.) and specified in federal regulations at paragraphs (5), (6), and (7) of subdivision (b) of Section 96.85 of Title 45 of the Code of Federal Regulations. The Department of Finance shall update its calculations of the state median income for families according to the methodology provided in this subdivision and provide the updated data to the department no later than March 1 of each fiscal year.

(d) The income of a recipient of federal supplemental security income benefits pursuant to Title XVI of the federal Social Security Act (42 U.S.C. Sec. 1381 et seq.) and state supplemental program benefits pursuant to Title XVI of the federal Social Security Act and Chapter 3 (commencing with Section 12000) of Part 3 of Division 9 of the Welfare and Institutions Code shall not be included as income for purposes of determining eligibility for child care under this chapter.

(e) This section shall become operative on July 1, 2019.

SEC. 10. Section 8272.1 is added to the Education Code, immediately following Section 8272, to read:

8272.1. (a) A center-based child care agency contracting with the department to provide center-based child care services may schedule up to two days of staff training, per contract period, using state reimbursement funding on the topics including procedures for emergencies in child development programs, licensing regulations relating to child development programs, recognition and reporting of suspected abuse of children in child development programs, managing challenging behaviors and preventing expulsion of children, and addressing items on the program's Quality Rating and Improvement System (QRIS) Quality plan.

(b) This section shall become operative on July 1, 2019.

SEC. 11. Section 8275.5 of the Education Code is amended to read:

8275.5. (a) The department shall promote full utilization of child care and development funds and match available unused funds with identified service needs. Notwithstanding the requirements of Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code, the department shall arrange interagency adjustments between different contractors with the same type of contract when both agencies mutually agree to a temporary transfer of funds for the balance of the fiscal year.

(b) This section shall become inoperative on July 1, 2019, and, as of January 1, 2020, is repealed.

SEC. 12. Section 8275.5 is added to the Education Code, to read:

8275.5. (a) The department shall promote full utilization of child care and development funds and match available unused funds with identified service needs. Notwithstanding the requirements of Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code, the department shall arrange interagency adjustments between different contractors with the same type of contract when both agencies mutually agree to a temporary transfer of funds for the balance of the fiscal year. The department shall establish timelines for interagency contract fund transfers.

(b) 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 may implement and administer this section through the issuance of guidance or other written directives, which may include, but is not limited to, establishing timelines for submittal of requests to transfer funds.

(c) This section shall become operative on July 1, 2019.