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AB-131 Child development programs. (2021-2022)

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Assembly Bill No. 131

CHAPTER 116

An act to amend Sections 8200, 8201, 8202, 8203, 8203.1, 8203.3, 8203.5, and 8204 of, to amend the heading of Chapter 2 (commencing with Section 8200) of Part 6 of Division 1 of Title 1 of, to amend and renumber Sections 8235, 8235.5, 8236.1, 8236.2, 8236.3, 8238, 8238.4, 8239.1, 8246, 8250, 8250.5, 8255, 8257, 8258, 8260, 8261, 8261.5, 8262, 8262.1, 8262.2, 8262.3, 8262.5, 8263.1, 8264.5, 8264.6, 8264.7, 8264.8, 8265.2, 8265.5, 8266.1, 8268, 8269, 8270, 8271, 8272, 8272.1, 8273, 8273.1, 8273.3, 8275, 8275.5, 8276, 8276.7, 8279, 8279.1, 8279.2, 8279.3, 8282, 8320, 8321, 8322, 8324, 8326, 8327, 8328, 8329, 8330, 8332, 8332.1, 8332.2, 8332.25, 8332.3, 8332.4, 8332.5, 8332.6, 8332.7, 8332.8, 8335, 8335.1, 8335.3, 8335.4, 8335.5, 8335.6, 8347, 8347.1, 8347.2, 8347.3, 8347.4, 8347.5, 8360, 8360.2, 8361, 8362, 8363, 8365, 8366, 8369, 8370, 8401, 8401.5, 8402, 8403, 8404, 8405, 8406, 8406.6, 8406.7, 8406.9, 8407, 8408, 8409, 8440, 8441, 8442, 8443, 8444, 8445, 8447, 8447.5, 8448, 8450, 8492, and 8499.10 of, to amend, renumber, and add Sections 8208 and 8209 of, to add Sections 8210, 8211, 8214, 8227, 8242, 8282.5, 8288.5, 8294.5, and 8298 to, to add the heading of Article 2 (commencing with Section 8207) to, to add the heading of Article 3 (commencing with Section 8226) to, to add the heading of Article 4 (commencing with Section 8242) to, to add the heading of Article 5 (commencing with Section 8252) to, to add the heading of Article 6 (commencing with Section 8255) to, to add the heading of Article 7 (commencing with Section 8264) to, to add the heading of Article 8 (commencing with Section 8265), to add the heading of Article 9 (commencing with Section 8273) to, to add the heading of Article 10 (commencing with Section 8283) to, to add the heading of Article 11 (commencing with Section 8289) to, to add the heading of Article 12 (commencing with Section 8295) to, to add the heading of Article 13 (commencing with Section 8306) to, to add the heading of Article 14 (commencing with Section 8325) to, to add the heading of Article 15 (commencing with Section 8335) to, to add the heading of Article 16 (commencing with Section 8337) to, and to add the heading of Article 17 (commencing with Section 8340) to, Chapter 2 of Part 6 of Division 1 of Title 1 of, to repeal Sections 8205, 8206, 8206.1, 8206.2, 8206.6, 8207, 8208.1, 8208.5, 8236, 8237, 8239, 8245, 8247, 8251, 8252, 8256, 8263, 8263.2, 8263.3, 8263.4, 8264, 8265, 8265.1, 8265.7, 8266, 8266.2, 8266.5, 8267, 8276.5, 8277, 8277.1, 8277.2, 8277.3, 8277.4, 8277.5, 8277.6, 8277.65, 8277.66, 8277.7, 8277.8, 8278.3, 8279.4, 8279.5, 8279.6, 8279.7, 8331, 8360.1, 8360.3, 8363.5, 8364, 8365.5, 8367, 8368, and 8400 of, and to repeal Article 1.1 (commencing with Section 8209.6) of, to repeal Article 2 (commencing with Section 8210) of, to repeal Article 3 (commencing with Section 8220) of, to repeal Article 6 (commencing with Section 8230) of, to repeal the heading of Article 7 (commencing with Section 8235) of, to repeal Article 8 (commencing with Section 8240) of, to repeal the heading of Article 8.5 (commencing with Section 8245) of, to repeal the heading of Article 9 (commencing with Section 8250) of, to repeal the heading of Article 10 (commencing with Section 8255) of, to repeal the heading of Article 11 (commencing with Section 8265) of, to repeal the heading of Article 11.5 (commencing with Section 8273) of, to repeal the heading of Article 12 (commencing with Section 8275) of, to repeal the heading of Article 13 (commencing with former Section 8280) of, to repeal Article 13.1

(commencing with Section 8280) of, to repeal the heading of Article 13.5 (commencing with Section 8282) of, to repeal Article 14 (commencing with Section 8286) of, to repeal the heading of Article 15 (commencing with Section 8320) of, to repeal the heading of Article 15.1 (commencing with Section 8332) of, to repeal the heading of Article 15.2 (commencing with Section 8335) of, to repeal the heading of Article 15.4 (commencing with Section 8347) of, to repeal Article 15.5 (commencing with Section 8350) of, to repeal the heading of Article 16 (commencing with Section 8360) of, to repeal Article 16.5 (commencing with Section 8385) of, to repeal the heading of Article 18 (commencing with Section 8400) of, to repeal Article 19.5 (commencing with Section 8430) of, to repeal the heading of Article 20 (commencing with Section 8440) of, to repeal the heading of Article 21 (commencing with Section 8448) of, to repeal the heading of Article 23.5 (commencing with Section 8492) of, and to repeal Article 24 (commencing with Section 8493) of, Chapter 2 of, to repeal Chapter 2.3 (commencing with Section 8499) of, and to repeal the heading of Chapter 2.5 (commencing with Section 8499.10) of, Part 6 of Division 1 of Title 1 of, the Education Code, to amend Sections 6253.21, 6254, and 19815.4 of the Government Code, to amend Sections 1596.64, 1596.645, 1596.655, 1596.66, 1596.67, 1596.792, 1596.853, 1596.855, 1596.859, 1596.86, 1596.8661, 1596.87, 1596.8716, 1596.873, 1596.890, 1596.893c, 1596.895, and 1597.36 of the Health and Safety Code, to amend Sections 10203, 10205, and 11323.2 of, and to add Part 1.8 (commencing with Section 10207) to Division 9 of, the Welfare and Institutions Code, and to amend Section 3 of Chapter 6 of the Statutes of 2021, relating to child development programs, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[Approved by Governor July 23, 2021. Filed with Secretary of State July 23, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

AB 131, Committee on Budget. Child development programs.

(1) Existing law, the Child Care and Development Services Act, establishes a system of childcare and development services for children up to 13 years of age, which is administered by the State Department of Education and the Superintendent of Public Instruction and which includes various programs and services, including, among others, CalWORKs stage 2 and stage 3 childcare, migrant childcare, childcare and development services for children with special needs, the alternative payment program, and head start programs. These programs and services are contained in the Education Code. Existing law, effective July 1, 2021, transfers administration of these programs to the State Department of Social Services.

This bill would make various statutory changes to reflect the transfer described above, including by repealing the statutes governing those programs, services, and duties from the Education Code and reenacting them in the Welfare and Institutions Code. The bill would also clarify that the State Department of Education and the Superintendent of Public Instruction would retain administrative supervision of the California state preschool programs and would revise and recast related provisions of the Education Code. The bill would repeal various obsolete provisions and would make other related changes.

(2) Existing law requires the Superintendent of Public Instruction to administer all California state preschool programs, which include part-day and full-day age and developmentally appropriate programs designed to facilitate the transition to kindergarten for low-income or otherwise disadvantaged 3- and 4-year-old children.

This bill would clarify that 4-year-old children eligible to participate in the California state preschool program include those children whose 5th birthday occurs after September 1 of the fiscal year in which they are enrolled in a California state preschool program and whose parent or guardian has opted to retain or enroll them in a California state preschool program.

(3) Existing law establishes the standard reimbursement rate for subsidized childcare and development programs and for full-day preschool, and requires those standard reimbursement rates to be increased by a specified cost-of-living adjustment.

This bill would revise the standard reimbursement rates in effect as of July 1, 2021, to reflect cost-of-living adjustments and would establish a standard reimbursement rate for part-day preschool programs. The bill would also require, commencing January 1, 2022, contractors who receive the standard reimbursement rate to be reimbursed at the greater of the 75th percentile of the 2018 regional market rate survey or the contract per-child reimbursement amount as of December 31, 2021.

Existing law establishes various reimbursement factors to adjust the reimbursement rate paid to providers depending on the length of time per day that the provider serves children and establishes various adjustment factors for a provider agency's reported child days of enrollment in order to reflect the additional expense of serving specified children.

This bill would make certain reimbursement factors and adjustment factors applicable only prior to January 1, 2022.

Existing law requires the cost of childcare services provided to CalWORKs recipients to be governed by regional market rates, and requires the regional market rate ceilings to be established at the 75th percentile of the 2016 regional market survey for that region or the regional market rate ceiling that existed in that region on December 31, 2017, whichever is greater. Existing law prohibits reimbursement to license-exempt childcare providers from exceeding 70% of the family childcare home rate.

This bill would instead require, commencing January 1, 2022, the regional market rate ceilings to be established at the 75th percentile of the 2018 regional market survey for that region or the regional market rate ceiling that existed in that region on December 31, 2021, whichever is greater. The bill would also require, commencing January 1, 2022, the reimbursement to license-exempt childcare providers to be 70% of the commensurate regional market rate.

Existing law requires an alternative payment program to reimburse a licensed provider for childcare of a subsidized child based on the rate charged by the provider to nonsubsidized families for the same services, or the rates established by the provider for prospective nonsubsidized families. Existing law authorizes each licensed childcare provider to alter rate level for subsidized children once per year.

This bill would instead authorize a licensed childcare provider to alter the rate levels for subsidized children as needed and would require updated rates to be effective within 60 days of submission of the updated information to the alternative payment program.

This bill would require the state and Child Care Providers United - California to establish a Joint Labor Management Committee to develop recommendations for a single reimbursement rate structure that has specified characteristics and would require the Joint Labor Management Committee to present those recommendations to the Department of Finance no later than November 15, 2022. The bill would authorize the State Department of Social Services to allocate up to \$20,000,000 in previously appropriated funds for these purposes. The bill would also require the State Department of Social Services and the State Department of Education to establish a working group to assess the existing quality standards for childcare and development and preschool programs and the methodology for establishing reimbursement rates for those programs. The bill would require the working group to provide recommendations relating to specified topics to the Joint Labor Management Committee, the Department of Finance, and the Joint Legislative Budget Committee no later than August 15, 2022.

(4) Existing federal law, the American Rescue Plan Act, appropriates funds, to be allocated to states, to be used to support the stability of the childcare sector during and after the COVID-19 public health emergency.

This bill would require California state preschool program contractors, childcare and development program contractors, and childcare providers to provide specified information to the department in advance of receiving American Rescue Plan Act funds.

(5) Existing law generally requires that families utilizing state-subsidized preschool and childcare and development services be assessed a family fee that is based on income, certified family need for full-time or part-time care services, and enrollment.

This bill would waive those family fees from July 1, 2021, to June 30, 2022, and allocate \$60,000,000 to reimburse subsidized childcare providers for the full amount of the certificate or voucher without deducting family fees.

(6) Existing law requires childcare providers authorized to provide services pursuant to the provisions governing alternative payment programs to submit a monthly attendance record or invoice for each child who received services, signed by the child's parent or guardian, to the alternative payment program.

This bill would waive, for a specified period of time, the requirement for the attendance record to be signed by the child's parent or guardian if the provider attempts to collect a signature and the parent or guardian is unable to sign due to the COVID-19 pandemic.

(7) 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 childcare subsidy plan, as provided. Existing law concludes this pilot program for the County of Alameda on July 1, 2021.

This bill would instead authorize the County of Alameda to continue the individualized county childcare subsidy plan until July 1, 2023.

(8) Existing law establishes childcare resource and referral programs, which are established to serve a defined geographic area and provide prescribed services. Among the services provided by these programs is the establishment of a referral process that responds to parental need for information and that makes referrals to licensed child daycare facilities, as specified.

This bill would require federal funds allocated to local childcare resource and referral agencies to support their continued participation in COVID-19 relief and recovery to be used to strengthen their role in serving as intermediaries to develop new, and support existing, childcare facilities and capacity and to streamline and improve data collection processes, as specified.

(9) Existing law establishes the Early Learning and Care Infrastructure Grant Program under the administration of the Superintendent of Public Instruction to expand access to early learning and care opportunities for children up to 5 years of age by providing resources to build new facilities or retrofit, renovate, or expand existing facilities, as provided. Existing law appropriates \$245,000,000 from the General Fund to the State Department of Education for these purposes, to be released on a prescribed schedule.

This bill would clarify that this program is under the jurisdiction of the State Department of Social Services and would instead make implementation of the program subject to an appropriation for those purposes. The bill would also make various other changes to the program, including, among others, expanding eligibility for the program to include unsubsidized childcare providers that meet certain criteria.

(10) Existing law establishes the Early Learning and Care Workforce Development Grants Program under the administration of the Superintendent of Public Instruction to expand the number of qualified early learning and care professionals and increase the educational credentials of existing early learning and care professionals across the state, as provided. Existing law appropriates \$150,000,000 from the General Fund to the State Department of Education for these purposes, to be released on a prescribed schedule.

This bill would instead make implementation of the program subject to an appropriation for those purposes.

(11) Existing law authorizes family childcare providers to form, join, and participate in the activities of provider organizations and to seek the certification of a provider organization to act as the representative for family childcare providers on matters related to childcare subsidy programs pursuant to a petition and election process overseen by the Public Employment Relations Board or a neutral third party designated by the board. Existing law requires the Governor, through the Department of Human Resources or the Governor's designee, to meet and confer in good faith with the certified provider organization on all matters within the scope of representation of the provider organization. Existing law requires the parties to jointly prepare a memorandum of understanding if an agreement is reached, which is required to be presented to the Legislature for determination, and which would be binding on all state departments and agencies, and their contractors and subcontractors, and any political subdivision of the state, that are involved in the administration of state-funded early care and education programs.

This bill would provide the Legislature's approval of the agreements between the state and Child Care Providers United – California, dated April 20, 2021, and June 25, 2021.

(12) Existing law appropriates the sum of \$402,000,000 in specified federal funding to provide subsidized childcare and preschool providers with COVID-19 pandemic-related assistance. Existing law makes various allocations from that appropriation, including an allocation of \$244,000,000 to provide a flat-rate one-time stipend amount of \$525 per child enrolled in a subsidized childcare or a state preschool program and an allocation of \$76,000,000 to existing state-subsidized alternative payment programs to extend childcare services to various groups.

This bill would revise those provisions to, instead, appropriate \$365,320,000 in federal funding for those purposes. The bill would decrease the allocation to provide a flat-rate one-time stipend, as described above, to \$200,020,000, and increase the allocation to state-subsidized alternative payment programs, as described above, to \$83,300,000.

This bill would also allocate \$519,000,000 in previously appropriated federal funds, and appropriate \$60,000,000 in federal funds, to the State Department of Education to provide subsidized childcare and preschool providers with COVID-19 pandemic-related assistance, including, among other things, a flat-rate one-time stipend amount of \$600 per child enrolled in a subsidized childcare or a state preschool program, a flat-rate one-time stipend to all licensed child daycare facilities, and an additional 16 paid nonoperational days to certain state-subsidized childcare providers when the provider is closed due to COVID-19 related reasons. The bill would require the State Department of Education to transfer \$529,000,000 of those funds to the State Department of Social Services to administer these provisions. This bill would authorize the Department of Finance, upon the request of the State Department of Education or the State Department of Social Services, to authorize the transfer of expenditure authority between these allocations, but would prohibit the aggregate amount of allocation increases from exceeding the aggregate amount of allocation decreases.

This bill would allocate \$3,160,000 in previously appropriated federal funds to issue \$500 incentive payments to previously unlicensed individuals who obtain a family daycare home license on or after June 28, 2021, and maintain an active license for 12 months, and allocate \$40,000,000 in previously appropriated federal funds to establish the Joint Child Care Providers United-State of California Training Partnership Fund.

This bill would allocate \$98,630,000 in previously appropriated federal funds, and appropriate \$190,370,000 from the General Fund to the State Department of Social Services to provide reimbursement rate supplements from January 1, 2022, through December 31, 2023. The bill would authorize Child Care Providers United – California, subject to review and approval by the

state, to determine how that funding is used to supplement reimbursement rates and the methodology for supplementing reimbursement rates.

This bill would appropriate \$739,025,000 in federal funds to the State Department of Education to, upon order of the Department of Finance, be transferred to the State Department of Social Services to fund additional slots under the alternative payment program and the general childcare and development program.

This bill would appropriate \$29,078,000 from the General Fund to the State Department of Social Services to provide cost-of-living increases to childcare providers and would make various appropriations and allocations from previously appropriated funds to provide reimbursement rate supplements and increases to childcare and development and preschool providers.

(13) 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. The heading of Chapter 2 (commencing with Section 8200) of Part 6 of Division 1 of Title 1 of the Education Code is amended to read:

CHAPTER 2. Early Education Act

SEC. 2. Section 8200 of the Education Code is amended to read:

8200. This chapter shall be known and may be cited as the Early Education Act.

SEC. 3. Section 8201 of the Education Code is amended to read:

8201. The purpose of this chapter is as follows:

(a) To provide an inclusive and cost-effective preschool program that provides high-quality learning experiences, coordinated services, and referrals for families to access health and social-emotional support services through full- and part-day programs.

(b) To encourage community-level coordination in support of preschool and early childhood services.

(c) To provide an inclusive, developmentally appropriate, and culturally and linguistically responsive preschool environment that is nurturing for all children in the programs.

(d) To provide family engagement activities that support positive parenting practices and enhance understanding of human growth and development.

(e) To promote strengthening families and access to resources that prevent and address child abuse, neglect, or exploitation.

(f) To support the cognitive and social emotional development of all children, including children with exceptional needs, children experiencing developmental delays, and children experiencing trauma.

(g) To promote and support home language and development of multilingual capabilities to ensure all children attain their full potential.

(h) To establish a framework that promotes equitable access to quality early learning experiences through the expansion of preschool services.

(i) To empower parents and family choice by providing information and resources for choosing a high-quality preschool program that meets the needs of the family.

(j) To inform parents and families of their right to understand and evaluate the quality and health and safety requirements of the preschool program.

SEC. 4. Section 8202 of the Education Code is amended to read:

8202. It is the intent of the Legislature that:

(a) All families have equitable access to a high-quality preschool program, regardless of race or ethnic status, cultural, religious, or linguistic background, family composition, or children with exceptional needs. It is further the intent that subsidized preschool services be provided to persons meeting the eligibility criteria established under this chapter to the extent funding is made available by the Legislature and Congress.

(b) The physical, cognitive, social, and emotional growth and development of preschool children be supported in a healthy, developmentally, and culturally appropriate manner.

(c) Families are supported to seek opportunities through employment, training, and education to attain financial stability, while maximizing learning opportunities for their children through participation in preschool programs.

(d) Local- and community-level coordination of various funding streams and programs to support preschool services and preschool to third-grade alignment.

(e) Programs allow for maximum involvement of families in planning, implementation, operation, and evaluation of preschool programs, recognizing that parent and family engagement is integral to the well-being of the child.

(f) Parents and families be fully informed of their rights and responsibilities to evaluate the quality and safety of preschool programs, including, but not limited to, their right to inspect childcare licensing files.

(g) Planning for expansion of preschool programs based on ongoing, coordinated, and comprehensive local needs assessments and other state-level data.

(h) Support for staff, including administrators, program directors, site supervisors, and teachers, to reduce bias through professional development opportunities.

(i) Investments in preschool programs be leveraged to improve equity and reduce the opportunity gap through a targeted universalism approach.

(j) Preschool programs provide fully inclusive early learning experiences that contribute to closing the school readiness gap, especially for children from low-income families, children with exceptional needs, and children who are dual language learners, and partner with elementary schools to support smooth transitions and sustain early learning gains.

(k) The Superintendent of Public Instruction, in providing funding to agencies offering preschool programs, promote a range of services that will allow parents the opportunity to choose the type of care most suited to their needs. The program scope may include the following:

(1) Programs located in childcare centers or family childcare homes.

(2) Services provided part day or full day.

(l) The Superintendent of Public Instruction be responsible for the establishment of a public hearing process or other public input process that ensures the participation of those agencies directly affected by a particular section or sections of this chapter.

SEC. 5. Section 8203 of the Education Code is amended to read:

8203. The Superintendent of Public Instruction shall develop standards for the implementation of high-quality preschool programs. Indicators of quality shall include, but not be limited to:

(a) A physical environment that is safe and appropriate for preschool children and that meets applicable licensing standards.

(b) Program activities and services that are age appropriate for preschool children and meet the developmental needs of each child.

(c) Program activities and services that meet the cultural and linguistic needs of children and families.

(d) Family engagement including, but not limited to, opportunities to participate on parent advisory committees and parent education.

(e) Community engagement, coordination, and local partnerships that support successful transitions from preschool to the early elementary grades.

(f) Efficient and effective local program administration.

(g) Staff that possesses the appropriate and required qualifications or experience, or both. The appropriate staff qualifications shall reflect the diverse linguistic and cultural makeup of the children and families in the preschool program. The use of intergenerational staff shall be encouraged.

(h) The promotion of inclusive experiences through program activities and support for parents to access services that meet the needs of children with exceptional needs and their families.

(i) Support services for children, families, and early learning staff and administrators.

(j) Program activities that support equity by eliminating implicit bias, exclusionary discipline practices, and discrimination through staff development and training.

(k) Provision for nutritional needs of children, including nutrition education at preschool and, when appropriate, shared resource for families.

(l) Social services that include, but are not limited to, identification of child and family needs and referral to appropriate agencies.

(m) Health services that include referral of children to appropriate agencies for services.

SEC. 6. Section 8203.1 of the Education Code is amended to read:

8203.1. (a) The Superintendent shall administer a QRIS block grant, pursuant to an appropriation made for that purpose in the annual Budget Act, to be allocated to local consortia for support of local early learning quality rating and improvement systems that increase the number of low-income children in high-quality preschool programs that prepare those children for success in school and life.

(b) (1) For purposes of this section, "early learning quality rating and improvement system" or "QRIS" is defined as a locally determined system for continuous quality improvement based on a tiered rating structure with progressively higher quality standards for each tier that provides supports and incentives for programs, teachers, and administrators to reach higher levels of quality, monitors and evaluates the impacts on child outcomes, and disseminates information to parents and the public about program quality.

(2) For purposes of this section, "local consortium" is defined as a local or regional entity, administered by a lead agency, that convenes a planning body that designs and implements a QRIS. A local consortium shall include representatives from organizations including, but not limited to, all of the following:

(A) Local educational agencies.

(B) First 5 county commissions.

(C) Higher educational institutions.

(D) Local childcare and development planning councils.

(E) Local resource and referral agencies.

(F) Alternative payment programs.

(G) Other local agencies, as appropriate, which may include, but are not limited to, nonprofit organizations, that provide services to children from birth to five years of age, inclusive, tribal representatives, childcare licensing regional offices, special education local plan area, the county social services department, the local public health department, the local behavioral health department, regional centers, and Head Start and Early Head Start grantees.

(3) For purposes of this section, "quality continuum framework" means the tiered rating matrix created and adopted by a local consortium for purposes of implementing a QRIS. The tiered rating matrix shall include three common tiers shared by all participating local consortia. Changes to the common tiers shall be approved and adopted by all participating local consortia.

(c) The QRIS block grant shall build on local consortia and other local QRIS work in existence on or before the operative date of this section.

(d) For the 2014–15 fiscal year, if a county or region has an established local consortium that has adopted a quality continuum framework, the local consortium's lead administering agency shall be provided the first opportunity to apply for a QRIS block grant.

(e) Local consortia shall do all of the following to be eligible for a QRIS block grant:

(1) Implement a QRIS that incorporates evidence-based elements and tools in the quality continuum framework that are tailored to the local conditions and enhanced with local resources.

(2) Set ambitious yet achievable targets for California state preschool program contracting agencies' participation in the QRIS with the goal of achieving the highest common tier, as the tier existed on June 1, 2014, or a higher level of quality.

(3) Develop an action plan that includes a continuous quality improvement process that is tied to improving child outcomes.

(4) Describe how QRIS block grant funds will be used to increase the number of sites achieving the highest common local tier and to directly support classrooms that have achieved the highest common tier, as that tier existed on June 1, 2014, or a higher

level of quality.

(5) Develop information and resources that help families understand why preschool matters and how to identify a quality preschool program that meets the needs of the family.

(f) The Superintendent, in consultation with the executive director of the state board, shall allocate QRIS block grant funds to local consortia that satisfy the requirements of subdivision (e) based on the number of California state preschool program slots within the county or region.

(g) (1) Local consortia receiving QRIS block grant funds shall allocate those funds to contracting agencies of the California state preschool program, as established by Article 2 (commencing with Section 8207), or local educational agencies, for activities that support and improve quality, and assess quality and access. In allocating the QRIS block grant funds, priority shall be given to directly supporting the classrooms of the California state preschool program sites that have achieved the highest common local tier of quality.

(2) No more than 20 percent of a local consortium's QRIS block grant funds may be used for assessment and access projects.

(h) A family childcare home education network that provides California state preschool program services shall be eligible for an allocation from a local consortium of QRIS block grant funds for activities that support, improve, and assess quality.

SEC. 7. Section 8203.3 of the Education Code is amended to read:

8203.3. (a) The department, in consultation with the State Department of Social Services, shall maintain and update the prekindergarten learning development guidelines. The guidelines shall focus on preparing four- and five-year-old children for kindergarten. The guidelines shall identify appropriate developmental milestones for each age, how to assess where children are in relation to the milestones, and suggested methods for achieving the milestones. In addition, the guidelines shall identify any basic beginning skills needed to prepare children for kindergarten or first grade, and methods for teaching these basic skills. The guidelines shall be articulated with the academic content and performance standards adopted by the State Board of Education for kindergarten and grades 1 to 12, inclusive. The department may contract with an appropriate public or private agency to develop the guidelines.

(b) In future expenditure plans for quality improvement activities, the State Department of Social Services shall include funding for periodically updating the guidelines consistent with academic and performance standards and relevant research, broadly distributing the guidelines, and providing education, outreach, and training services to implement the guidelines.

(c) Programs funded by the department under this chapter shall use the prekindergarten learning development guidelines developed pursuant to this section.

SEC. 8. Section 8203.5 of the Education Code is amended to read:

8203.5. (a) The Superintendent shall ensure that each contract entered into under this chapter to provide preschool services, or to facilitate the provision of those services, provides support to the public school system of this state through the delivery of appropriate educational services to the children served pursuant to the contract.

(b) The Superintendent shall ensure that all contracts for preschool programs include a requirement that each public or private provider maintain a developmental profile to appropriately identify the emotional, social, physical, and cognitive growth of each child served in order to promote the child's success in the public schools. To the extent possible, the department shall provide a developmental profile to all public and private providers using existing profile instruments that are most cost efficient. The provider of any program operated pursuant to a contract under Section 8233 shall be responsible for maintaining developmental profiles upon entry through exit from a child development program.

(c) This section is not subject to Part 34 (commencing with Section 62000) of Division 4 of Title 2.

SEC. 9. Section 8204 of the Education Code is amended to read:

8204. In recognition of the demonstrated relationship between food and good nutrition and the capacity of children to develop and learn, it is the policy of this state that no child shall be hungry while in attendance in a preschool facility, as defined in Section 8205, and that preschool programs have an obligation to provide for the nutritional needs of children in attendance.

SEC. 10. Section 8205 of the Education Code is repealed.

SEC. 11. Section 8206 of the Education Code is repealed.

SEC. 12. Section 8206.1 of the Education Code is repealed.

SEC. 13. Section 8206.2 of the Education Code is repealed.

SEC. 14. Section 8206.6 of the Education Code is repealed.

SEC. 15. Section 8207 of the Education Code is repealed.

SEC. 16. The heading of Article 2 (commencing with Section 8207) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, to read:

Article 2. Program Administration

SEC. 17. Section 8208 of the Education Code is amended and renumbered to read:

8205. As used in this chapter:

(a) "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.

(b) "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.

(c) "Attendance" means the number of children present at a preschool 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.

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

(e) "Preschool facility" means a residence or building or part thereof in which preschool services are provided.

(f) "Early childhood 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, private, or proprietary agency, in centers and family childcare homes.

(g) "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.

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

(1) Children 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 childcare 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 childcare 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.

(i) "Cost" includes, but is not limited to, expenditures that are related to the operation of preschool 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.

(j) "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.

(k) "Family childcare home education network" means an entity organized under law that contracts with the department to make payments to licensed family childcare home providers and to provide educational and support services to those providers and to children and families eligible for California state preschool program services.

(l) "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.

(m) "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.

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

(o) "Dual language learner children" means children whose first language is a language other than English or children who are developing two or more languages, one of which may be English.

(p) "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.

(q) "Program director" means a person who, pursuant to Section 8298, is qualified to serve as a program director.

(r) "Proprietary agency" means an organization or facility providing preschool, which is operated for profit.

(s) "Children with severe disabilities" 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. "Children with severe disabilities" 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.

(t) (1) "Site supervisor" means a person who, regardless of their title, has operational program responsibility for an early childhood program at a single site.

(2) A site supervisor shall satisfy one of the following:

(A) Hold a permit issued by the Commission on Teacher Credentialing that authorizes supervision of a childcare and development program operating in a single site.

(B) Hold an administrative credential or an administrative services credential issued by the Commission on Teacher Credentialing.

(C) Meet the qualifications of a program director under Section 8298.

(3) The Superintendent may waive the requirements of this subdivision if the Superintendent determines that the existence of compelling need is appropriately documented.

(u) "Standard reimbursement rate" means the reimbursement rate applicable to California state preschool programs pursuant to Section 8242.

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

(w) "California state preschool program" means those programs that offer part-day or full-day, or both, educational programs for eligible three- and four-year-old children. These programs may be offered by a public, private, or proprietary agency, and operated in childcare centers or family childcare homes operating through a family childcare home education network.

(x) "Support services" means those services that, when combined with preschool services, help promote the healthy physical, mental, social, and emotional growth of children. Support services may 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.

(y) "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.

(z) "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 preschool program services to the need for these services is low, as determined by the Superintendent.

(aa) "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.

(ab) "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, or a child whose fifth birthday occurs after September 1 of the fiscal year in which they are enrolled in a California state preschool and whose parent or guardian has opted to retain or enroll them in a California state preschool program.

(ac) "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.).

(ad) "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.

SEC. 18. Section 8208 is added to the Education Code, to read:

8208. (a) (1) A three- or four-year-old child is eligible for the part-day California state preschool program if the child's family is one of the following:

(A) A current aid recipient.

(B) Income eligible.

(C) Homeless.

(D) One whose children are recipients of child protective services, or whose children have been identified as being abused, neglected, or exploited, or at risk of being abused, neglected or exploited.

(2) Notwithstanding any other law, a part-day California state preschool program may provide services to children in families whose income is no more than 15 percent above the income eligibility threshold, as described in Section 8213, after all eligible three- and four-year-old children have been enrolled. No more than 10 percent of children enrolled, calculated throughout the participating program's entire contract, may be filled by children in families above the income eligibility threshold.

(3) Notwithstanding any other law, after all otherwise eligible children have been enrolled as provided in paragraphs (1) and (2), a part-day California state preschool program may provide services to three- and four-year-old children in families whose income is above the income eligibility threshold if those children are children with exceptional needs. Children receiving services pursuant to this paragraph shall not count towards the 10-percent limit in paragraph (2).

(4) Notwithstanding any other law, after all otherwise eligible children have been enrolled as provided in paragraphs (1) to (3), inclusive, a provider operating a part-day state preschool program within the attendance boundary of a public school, as set forth in Section 8217, may enroll four-year-old children.

(b) A part-day California state preschool program contracting agency shall certify eligibility and enroll families into their program within 120 calendar days prior to the first day of the beginning of the new preschool year. Subsequent to enrollment, a child shall be deemed eligible for a part-day California state preschool program for the remainder of the program year.

(c) (1) A three- or four-year old child is eligible for a full-day California state preschool program if the family meets both of the following requirements:

(A) The child's family is one of the following:

(i) A current aid recipient.

(ii) Income eligible.

(iii) Homeless.

(iv) One whose children are recipients of child protective services, or whose children have been identified as being abused, neglected, or exploited, or at risk of being abused, neglected or exploited.

(B) The child's family needs the childcare services because of either the following:

(i) The child has been 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 one of the following:

(I) A recipient of protective services.

(II) Being neglected, abused, or exploited, or at risk of neglect, abuse, or exploitation.

(III) Being homeless.

(ii) The child's parents are one of the following:

(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.

(V) Incapacitated.

(2) Notwithstanding paragraph (1), after all families meeting the criteria specified in paragraph (1) have been enrolled, a full-day California state preschool program may provide services to three- and four-year-old children in families who do not meet at least one of the criteria specified in subparagraph (B) of paragraph (1).

(3) After all otherwise eligible children have been enrolled as provided in paragraphs (1) and (2), a provider operating a full-day California state preschool program within the attendance boundary of a public school as set forth in Section 8217 may enroll any four-year-old child.

(d) (1) With the exception of the age requirements and paragraphs (2) and (3), upon establishing initial eligibility or ongoing eligibility for full-day California state preschool program 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 Section 8213, 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.

(e) (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 (d), a payment made by a preschool 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 the Superintendent's designated agent may seek to recover payments that are the result of fraud.

(f) (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, until regulations are filed with the Secretary of State to implement subdivision (d), the department shall implement subdivision (d) 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 (d) 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 (d).

(g) The Superintendent shall establish guidelines according to which the director or a duly authorized representative of the California state preschool program will certify children as eligible for state reimbursement purposes.

SEC. 19. Section 8208.1 of the Education Code is repealed.

SEC. 20. Section 8208.5 of the Education Code is repealed.

SEC. 21. Section 8209 of the Education Code is amended and renumbered to read:

8206. (a) If a state of emergency is declared by the Governor, the Superintendent may waive any requirements of this code or regulations adopted pursuant to this code relating to preschool programs operated pursuant to this chapter only to the extent that enforcement of the regulations or requirements would directly impede disaster relief and recovery efforts or would disrupt the current level of service in preschool programs.

(b) A waiver granted pursuant to subdivision (a) shall not exceed 45 calendar days.

(c) For purposes of this section, "state of emergency" includes, but is not limited to, fire, flood, earthquake, or a period of civil unrest.

(d) If a request for a waiver pursuant to subdivision (a) is for a childcare and development program, preschool program, or child nutrition program that receives federal funds and the waiver may be inconsistent with the state plan or any federal law or regulations governing the program, the Superintendent shall seek and obtain approval of the waiver from the appropriate federal agency before granting the waiver.

(e) (1) From July 1, 2020, to June 30, 2021, inclusive, due to the ongoing impacts of childcare and development facility closures and low child attendance due to the COVID-19 pandemic and related public health directives, the Superintendent shall reimburse a contracting agency for a California state preschool program pursuant to former Article 7 (commencing with Section 8235), a general childcare and development program pursuant to former Article 8 (commencing with Section 8240), a family childcare home education network pursuant to former Article 8.5 (commencing with Section 8245), a migrant childcare and development program pursuant to former Article 6 (commencing with Section 8230), or childcare and development services for children with special needs pursuant to former Article 9 (commencing with Section 8250) that meets one of the following requirements:

(A) The program operated by the contracting agency opens by September 8, 2020, or within 21 calendar days from the start date of the contracting agency's 2020–21 program calendar approved by the department, whichever is sooner, and remains open and offering services through the 2020–21 program year.

(B) The program operated by the contracting agency is closed by local or state public health order or guidance due to the COVID-19 pandemic.

(C) (i) The program operates on the campus of a local educational agency that is closed by local or state public health guidance or order and the local educational agency has required the early learning and care program to close.

(ii) To ensure continuity of care and access to services during the COVID-19 pandemic, the governing board or body of the local educational agency requiring a closure pursuant to clause (i) shall discuss in a public hearing and prepare a plan for safely reopening early learning and care programs as soon as safely possible, but no later than when local education agency campuses open for in-person instruction.

(2) Reimbursement pursuant to paragraph (1) shall be 100 percent of the contract maximum reimbursable amount or net reimbursable program costs, whichever is less, pursuant to guidance released by the Superintendent.

(3) A childcare program specified in paragraph (1) that is physically closed pursuant to subparagraph (B) or (C) of paragraph (1) due to the COVID-19 pandemic, but funded to be operational, shall provide distance learning services as specified by the Superintendent. A contractor specified in paragraph (1) shall submit a distance learning plan to the department pursuant to guidance from the Superintendent.

SEC. 22. Section 8209 is added to the Education Code, to read:

8209. (a) A physical examination and evaluation, including age-appropriate immunizations, shall be required before, or within six weeks of, enrollment in a preschool program. A standard, rule, or regulation shall not require medical examination or immunization for admission to a preschool program of a child whose parent or guardian files a letter with the governing board of the preschool program stating that the medical examination or immunization is contrary to the parent's or guardian's 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 preschool program is satisfied that the child is not suffering from that contagious or infectious disease.

(b) If only one parent has signed an application for enrollment in preschool 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.

(c) Notwithstanding any other law, in order to promote continuity of services, a family enrolled in a state or federally funded preschool program whose services would otherwise be terminated because the family no longer meets the program income, eligibility, or need criteria may continue to receive preschool services in another state or federally funded preschool 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 preschool programs.

SEC. 23. Article 1.1 (commencing with Section 8209.6) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 24. Article 2 (commencing with Section 8210) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 25. Section 8210 is added to the Education Code, to read:

8210. (a) Each applicant or contracting agency shall give priority for part-day programs according to the following:

(1) The first priority for services shall be given to three-year-old or four-year-old children who are recipients of child protective services or who are at risk of being neglected, abused, or exploited and for whom there is a 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) (A) The second priority for services shall be given to eligible four-year-old children who are not enrolled in a state-funded transitional kindergarten program.

(B) Within this priority category, eligible children with the lowest income according to the income ranking on the most recent schedule of income ceiling eligibility table, as published by the Superintendent at the time of enrollment, shall be enrolled first.

(i) If two or more families have the same income ranking according to the most recent schedule of income ceiling eligibility table, a child with exceptional needs shall be enrolled first.

(ii) If there are no families with a child with exceptional needs, the child that has been on the waiting list for the longest time shall be admitted first.

(3) The third priority shall be given to eligible three-year-old children. Enrollment determinations within this priority category shall be made pursuant to subparagraph (B) of paragraph (2).

(4) The fourth priority, after all otherwise eligible children have been enrolled, shall be children from families whose income is no more than 15 percent above the eligibility income threshold, as described in Section 8213. Within this priority category,

priority shall be given to four-year-old children before three-year-old children.

(5) The fifth priority, after all otherwise eligible children have been enrolled, shall be a child with exceptional needs whose family's income is above the income eligibility threshold, as described in Section 8213. Within this priority category, priority shall be given to four-year-old children before three-year-old children.

(6) After all otherwise eligible children have been enrolled in the first through fifth priority categories, as described in paragraphs (1) to (5), inclusive, a California preschool program site operating within the attendance boundaries of a qualified free and reduced priced meals school, in accordance with Section 8217, may enroll any four-year-old children whose families reside within the attendance boundary of the qualified elementary school. These children shall, to the extent possible, be enrolled by lowest to highest income according to the most recent schedule of income ceiling eligibility table.

(b) For purposes of determining order of enrollment, public assistance grants shall be counted as income.

(c) The Superintendent shall set criteria for, and may grant specific waivers of, the priorities established in this section 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.

SEC. 26. Section 8211 is added to the Education Code, to read:

8211. (a) Each applicant or contracting agency shall give priority for full-day programs according to the following:

(1) The first priority for services shall be given to three-year-old or four-year-old 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) (A) The second priority for services shall be given to eligible four-year-old children who are not enrolled in a state-funded transitional kindergarten program.

(B) Within this priority category, eligible children with the lowest income according to the income ranking on the most recent schedule of income ceiling eligibility table, as published by the Superintendent at the time of enrollment, shall be enrolled first.

(i) If two or more families have the same income ranking according to the most recent schedule of income ceiling eligibility table, a child with exceptional needs shall be enrolled first.

(ii) If there are no families with a child with exceptional needs, the child that has been on the waiting list for the longest time shall be admitted first.

(3) The third priority shall be given to eligible three-year-old children. Enrollment determinations within this priority category shall be made pursuant to subparagraph (B) of paragraph (2).

(4) After all otherwise eligible children have been enrolled in the first through fourth priority categories, as described in paragraphs (1) to (4), inclusive, the contractor may enroll the children in the following order:

(A) The contractor may enroll three- and four-year-old children from families that meet eligibility criteria pursuant to paragraph (2) of subdivision (c) of Section 8208. Within this priority, contractors shall enroll families in income ranking order, lowest to highest, and within income ranking order, enroll four-year-old children before three-year-old children.

(B) For California state preschool program sites operating within the attendance boundaries of a qualified free and reduced priced meals school, in accordance with Section 8217, the contractor may enroll any four-year-old children whose families reside within the attendance boundary of the qualified school without establishing eligibility or a need for services pursuant to paragraph (1) or (2) of subdivision (c) of Section 8208. These families shall, to the extent possible, be enrolled in income ranking order, lowest to highest.

(b) For purposes of determining order of admission, grants of public assistance shall be counted as income.

(c) The Superintendent shall set criteria for, and may grant specific waivers of, the priorities established in this section 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.

SEC. 27. Section 8214 is added to the Education Code, to read:

8214. If families have to be disenrolled from subsidized preschool services, families shall be disenrolled in reverse priority order for services, as specified in Sections 8210 and 8211, as applicable.

SEC. 28. Article 3 (commencing with Section 8220) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 29. The heading of Article 3 (commencing with Section 8226) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, to read:

Article 3. Administration

SEC. 30. Section 8227 is added to the Education Code, to read:

8227. The department shall develop procedures for annually evaluating the monitoring processes and the training and technical assistance that is to be provided to the contracting agencies.

SEC. 31. Article 6 (commencing with Section 8230) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 32. The heading of Article 7 (commencing with Section 8235) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 33. Section 8235 of the Education Code is amended and renumbered to read:

8207. (a) The Superintendent shall administer all California state preschool programs. Those programs shall include, but not be limited to, part-day and full-day age and developmentally appropriate programs, offered through childcare centers and family childcare home education networks, that are designed to facilitate the transition to kindergarten for three- and four-year-old children in educational development, health services, social services, nutritional services, parent education and parent participation, evaluation, and staff development. Preschool programs for which federal reimbursement is not available shall be funded as prescribed by the Legislature in the Budget Act, and unless otherwise specified by the Legislature, shall not use federal funds made available through Title XX of the federal Social Security Act (42 U.S.C. Sec. 1397).

(b) A part-day California state preschool program shall operate for a minimum of (1) three hours per day, excluding time for home-to-school transportation, and (2) a minimum of 175 days per year, unless the contract specifies a lower number of days of operation.

(c) A full-day California state preschool program shall operate for a minimum of 246 days per year, unless the contract specifies a lower number of days of operation.

(d) Any agency described in subdivision (a) of Section 8205 as an "applicant or contracting agency" is eligible to contract to operate a California state preschool program.

(e) 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.

(f) Federal Head Start funds used to provide services to families receiving California state preschool services shall be deemed nonrestricted funds.

(g) School districts and charter schools that administer a California state preschool program may place four-year-old children in a transitional kindergarten program classroom in accordance with subdivisions (h) to (j), inclusive, of Section 48000.

(h) California state preschool programs shall include all of the following:

(1) Age- and developmentally appropriate activities for children.

(2) Supervision.

(3) Parenting education and parent engagement.

(4) Social services that include, but are not limited to, identification of child and family needs and referral to appropriate agencies.

(5) Health services.

(6) Nutrition.

(7) Training and career ladder opportunities, documentation of which shall be provided to the department.

(i) The Superintendent shall adopt rules and regulations related to the administration of this chapter, including rules and regulations related to eligibility, enrollment, and priority of services. Regulations shall also 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 have exceptional needs.

SEC. 34. Section 8235.5 of the Education Code is amended and renumbered to read:

8212. (a) (1) A local educational agency exempt from licensing pursuant to subdivision (o) of Section 1596.792 of the Health and Safety Code shall use the uniform complaint process it has adopted as required by Chapter 5.1 (commencing with Section 4600) of Division 1 of Title 5 of the California Code of Regulations, with modifications, as necessary, to resolve any deficiencies related to preschool health and safety issues for a California state preschool program pursuant to Section 1596.7925 of the Health and Safety Code.

(2) A complaint may be filed anonymously. A complainant who identifies themselves is entitled to a response if the complainant indicates that a response is requested. A complaint form shall include a space to mark to indicate whether a response is requested. If Section 48985 is otherwise applicable, the response, if requested, and report shall be written in English and the primary language in which the complaint was filed. All complaints and responses are public records.

(3) The complaint form shall specify the location for filing a complaint. A complainant may add as much text to explain the complaint as the complainant wishes.

(4) A complaint shall be filed with the preschool program administrator or their designee. A complaint about problems beyond the authority of the preschool program administrator shall be forwarded in a timely manner, but not to exceed 10 working days to the appropriate local educational agency official for resolution.

(b) The preschool program administrator or the designee of the district superintendent, as applicable, shall make all reasonable efforts to investigate any problem within their authority. Investigations shall begin within 10 days of the receipt of the complaint. The preschool program administrator or designee of the district superintendent shall remedy a valid complaint within a reasonable time period, but not to exceed 30 working days from the date the complaint was received. The preschool program administrator or designee of the district superintendent shall report to the complainant the resolution of the complaint within 45 working days of the initial filing. If the preschool program administrator makes this report, the preschool program administrator shall also report the same information in the same timeframe to the designee of the district superintendent.

(c) A complainant not satisfied with the resolution of the preschool program administrator or the designee of the district superintendent has the right to describe the complaint to the governing board or body, as applicable, of the local educational agency at a regularly scheduled hearing of the governing board or body, as applicable, of the local educational agency. A complainant who is not satisfied with the resolution proffered by the preschool program administrator or the designee of the district superintendent has the right to file an appeal to the Superintendent.

(d) A local educational agency shall report summarized data on the nature and resolution of all complaints on a quarterly basis to the county superintendent of schools and the governing board or body, as applicable, of the local educational agency. The summaries shall be publicly reported on a quarterly basis at a regularly scheduled meeting of the governing board or body, as applicable, of the local educational agency. The report shall include the number of complaints by general subject area with the number of resolved and unresolved complaints. The complaints and written responses shall be available as public records.

(e) In order to identify appropriate subjects of complaint, a notice shall be posted in each California state preschool program classroom in each school in the local educational agency notifying parents, guardians, pupils, and teachers of both of the following:

(1) The health and safety requirements under Title 5 of the California Code of Regulations that apply to California state preschool programs pursuant to Section 1596.7925 of the Health and Safety Code.

(2) The location at which to obtain a form to file a complaint. Posting a notice downloadable from the internet website of the department shall satisfy this requirement.

(f) A local educational agency shall establish local policies and procedures, post notices, and implement this section.

(g) For purposes of this section, "local educational agency" means a school district, county office of education, or charter school.

SEC. 35. Section 8236 of the Education Code is repealed.

SEC. 36. Section 8236.1 of the Education Code is amended and renumbered to read:

8215. The department shall annually monitor funding used in, and hours of service provided in, the California state preschool program, and shall annually report to the Department of Finance and to the Legislature a statewide summary identifying the estimated funding used for, and the number of, preschool age children receiving part-day preschool and wraparound childcare services. The annual report shall include a comparison to the prior year on a county-by-county basis.

SEC. 37. Section 8236.2 of the Education Code is amended and renumbered to read:

8216. (a) The department and the State Department of Social Services shall promote full utilization of childcare and development funds and match available unused funds with identified service needs. The department and the State Department of Social Services shall attempt to arrange intraagency adjustments between California state preschool contracts and general childcare contracts for the same agency and funding allocation. The department and the State Department of Social Services 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 and the State Department of Social Services 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.

SEC. 38. Section 8236.3 of the Education Code is amended and renumbered to read:

8217. (a) Notwithstanding any other law, a provider operating a state preschool program within the attendance boundary of a public school, except a charter or magnet school, where at least 80 percent of enrolled pupils are eligible for free or reduced-price meals, may enroll four-year-old children, as defined in Section 8205, in accordance with the enrollment priorities set forth in Sections 8210 and 8211. Any remaining slots may be open to enrollment of any families not otherwise eligible pursuant to Section 8208, subject to both of the following:

(1) Enrollment of eligible four-year-old children pursuant to this paragraph shall be limited to families that establish residency within the attendance boundary of the qualifying public school pursuant to this subdivision. Providers shall require proof of residency as a condition of enrollment.

(2) To the best of their ability, providers shall give first enrollment priority for slots available pursuant to this paragraph to families with the lowest income, and last enrollment priority to families with the highest income.

(b) (1) Notwithstanding 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, until regulations are filed with the Secretary of State to implement subdivision (a), the department shall implement subdivision (a) through management bulletins or similar letters of instruction issued on or before December 1, 2019.

(2) The department shall initiate a rulemaking action to implement subdivision (a) on or before December 31, 2020. The department shall convene a workgroup of parents, advocates, department staff, child development program representatives, and other stakeholders to develop recommendations regarding the implementation of subdivision (a).

(c) For purposes of this section, "magnet school" means an entire school with a focus on a special area of study, such as science, the performing arts, or career education, designed to attract pupils from across the school district who may choose to attend the magnet school instead of their local public school.

SEC. 39. Section 8237 of the Education Code is repealed.

SEC. 40. Section 8238 of the Education Code is amended and renumbered to read:

8220. As a condition of receipt of funds pursuant to Section 8221, a participating part-day preschool program shall coordinate the provision of all of the following:

(a) Opportunities for parents and legal guardians to work with their children on interactive literacy activities. For purposes of this subdivision, "interactive literacy activities" means activities in which parents or legal guardians actively participate in facilitating the acquisition by their children of prereading skills through guided activities such as shared reading, learning the alphabet, and basic vocabulary development.

(b) Parenting education for parents and legal guardians of children in participating classrooms to support the development by their children of literacy skills. Parenting education shall include, but not be limited to, instruction in all of the following:

(1) Providing support for the educational growth and success of their children.

(2) Improving parent-school communications and parental understanding of school structures and expectations.

(3) Becoming active partners with teachers in the education of their children.

(4) Improving parental knowledge of local resources for the identification of and services for developmental disabilities, including, but not limited to, contact information for school district special education referral.

(c) Referrals, as necessary, to providers of instruction in adult education and English as a second language in order to improve the academic skills of parents and legal guardians of children in participating classrooms.

(d) Staff development for teachers in participating classrooms that includes, but is not limited to, all of the following:

(1) Development of a pedagogical knowledge, including, but not limited to, improved instructional and behavioral strategies.

(2) Knowledge and application of developmentally appropriate assessments of the prereading skills of children in participating classrooms.

(3) Information on working with families, including the use of onsite coaching, for guided practice in interactive literacy activities.

(4) Providing targeted interventions for all young children to improve kindergarten readiness upon program completion.

SEC. 41. Section 8238.4 of the Education Code is amended and renumbered to read:

8221. (a) A family literacy supplemental grant shall be made available and distributed to qualifying California state preschool classrooms, as determined by the Superintendent, at a rate of two thousand five hundred dollars (\$2,500) per class. The Superintendent shall distribute the family literacy supplemental grant funds according to the following priorities:

(1) First priority shall be assigned to California state preschool programs that contract to receive this funding before July 1, 2012. These programs shall receive this funding until their contract is terminated or the California state preschool program no longer provides family literacy services.

(2) Second priority shall be assigned to California state preschool programs operating classrooms located in the attendance area of elementary schools in deciles 1 to 3, inclusive, based on the most recently published Academic Performance Index pursuant to Section 52056. The Superintendent shall use a lottery process in implementing this paragraph.

(b) A family literacy supplemental grant distributed pursuant to this section shall be used for purposes specified in Section 8220.

(c) Implementation of this section is contingent upon funding being provided for family literacy supplemental grants for California state preschool programs in the annual Budget Act or other statute.

SEC. 42. Section 8239 of the Education Code is repealed.

SEC. 43. Section 8239.1 of the Education Code is amended and renumbered to read:

8222. (a) A contracting agency shall not expel or unenroll a child because of a child's behavior except as authorized by subdivision (c).

(b) (1) If a child exhibits persistent and serious challenging behaviors, the contracting agency shall expeditiously pursue and document reasonable steps, including, but not limited to, consulting with the child's parents or legal guardians and teacher, to maintain the child's safe participation in the program. The contracting agency shall inform the parents or legal guardians of a child exhibiting persistent and serious challenging behaviors of the process described in this section.

(2) (A) If the child has an individualized family service plan or individualized education program, the contracting agency, with written parental consent, shall contact the agency responsible for the individualized family service plan or individualized education program to seek consultation on serving the child.

(B) If the child does not have an individualized family service plan or individualized education program, the contracting agency shall consider, if appropriate, completing a universal screening of the child, including, but not limited to, screening the child's social and emotional development, referring the child's parents or legal guardians to community resources, and implementing behavior supports within the program before referring the child's parents or legal guardians to the local agency responsible for implementing the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.).

(c) If a contracting agency has expeditiously pursued and documented reasonable steps to maintain the child's safe participation in the program and determines, in consultation with the parents or legal guardians of the child, the child's teacher, and, if applicable, the local agency responsible for implementing the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.), that the child's continued enrollment would present a continued serious safety threat to the child or other enrolled

children, it shall refer the parents or legal guardians to other potentially appropriate placements, the local childcare resource and referral agency, or any other referral service available in the local community. The contracting agency may then unenroll the child.

(d) A contracting agency shall have up to 180 days to complete the process described in this section.

(e) This section shall apply only to California state preschool programs described in this article.

SEC. 44. Article 8 (commencing with Section 8240) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 45. The heading of Article 4 (commencing with Section 8242) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, to read:

Article 4. Reimbursement Rates

SEC. 46. Section 8242 is added to the Education Code, to read:

8242. (a) The department, in collaboration with the State Department of Social Services, shall implement a reimbursement system plan that establishes reasonable standards and assigned reimbursement rates, which vary with the length of the program year and the hours of service.

(1) Parent fees shall be used to pay reasonable and necessary costs for providing additional services.

(2) The department may establish any regulations deemed advisable concerning conditions of service and hours of enrollment for children in the programs.

(b) (1) (A) Commencing July 1, 2021, the standard reimbursement rate shall be twelve thousand nine hundred sixty-eight dollars (\$12,968).

(B) Commencing July 1, 2021, the standard reimbursement rate for part-day California state preschool programs shall be five thousand six hundred twenty-one dollars (\$5,621).

(2) Commencing in the 2022–23 fiscal year, the standard reimbursement rates described in paragraph (1) shall be increased by the cost-of-living adjustment granted by the Legislature annually pursuant to Section 42238.15.

(c) (1) Commencing January 1, 2022, contractors who, as of December 31, 2021, received the standard reimbursement rate established in this section shall be reimbursed at the greater of the following:

(A) The 75th percentile of the 2018 regional market rate survey.

(B) The contract per-child reimbursement amount as of December 31, 2021.

(2) In accordance with federal requirements for Child Care Stabilization Grants appropriated pursuant to the federal American Rescue Plan Act of 2021 (Public Law 117-2), contractors shall provide information via a one-time application or survey in advance of receiving American Rescue Plan Act funds. The department shall specify the timeline and format in which this information shall be submitted, and the information shall include, but not be limited to, all of the following:

(A) Address, including ZIP Code.

(B) Race and ethnicity.

(C) Gender.

(D) Whether the provider is open and available to provide childcare services or closed due to the COVID-19 public health emergency.

(E) What types of federal relief funds have been received from the state.

(F) Use of federal relief funds received.

(G) Documentation that the provider met certifications as required by federal law.

(3) Rate increases shall be subject to federal usage limitations and federal and state program eligibility requirements.

SEC. 47. The heading of Article 8.5 (commencing with Section 8245) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 48. Section 8245 of the Education Code is repealed.

SEC. 49. Section 8246 of the Education Code is amended and renumbered to read:

8223. (a) Contractors operating through a family childcare home education network shall do all of the following:

- (1) Recruit, enroll, and certify eligible families.
- (2) Recruit, train, support, and reimburse licensed family childcare home providers.
- (3) Collect family fees in accordance with contract requirements.
- (4) Assess, according to standards set by the department, the educational quality of the program offered in each family childcare home in the network.
- (5) Assure that a developmental profile is completed for each child based upon observations of network staff, in consultation with the provider.
- (6) Monitor requirements, including quality standards, and conduct periodic assessments of program quality in each family childcare home affiliated with the network.
- (7) Ensure that basic health and nutrition requirements are met.
- (8) Provide data and reporting in accordance with contract requirements.

(b) Each contractor shall ensure that their staff have sufficient training to successfully accomplish the requirements of subdivision (a).

SEC. 50. Section 8247 of the Education Code is repealed.

SEC. 51. The heading of Article 9 (commencing with Section 8250) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 52. Section 8250 of the Education Code is amended and renumbered to read:

8224. (a) The Superintendent shall ensure that eligible children with exceptional needs are given equal access to all California state preschool programs. Available federal and state funds for children with exceptional needs above the standard reimbursement amount shall be used to assist agencies in developing and supporting appropriate programs for these children, including federal and state funds available for the provision of special education and related services, as appropriate.

(b) Any child with exceptional needs served in California state preschool programs shall be afforded all rights and protections guaranteed in state and federal laws and regulations for individuals with exceptional needs.

SEC. 53. Section 8250.5 of the Education Code is amended and renumbered to read:

8225. A contractor providing California state preschool services is subject to the requirements of the Americans with Disabilities Act (42 U.S.C. Sec. 12101, et seq.).

SEC. 54. Section 8251 of the Education Code is repealed.

SEC. 55. Section 8252 of the Education Code is repealed.

SEC. 56. The heading of Article 5 (commencing with Section 8252) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, to read:

Article 5. Family Fees

SEC. 57. The heading of Article 10 (commencing with Section 8255) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 58. Section 8255 of the Education Code is amended and renumbered to read:

8226. (a) The Legislature finds and declares that the effectiveness of preschool programs can be increased through improved state administration, technical assistance to provider agencies, and monitoring.

(b) It is the intent of the Legislature:

(1) That the Superintendent of Public Instruction develop clear, consistent, and appropriate regulations for preschool programs to replace policy guidelines that are not subject to the public hearing process, often inconsistent, and without the force of law.

(2) That the department make better use of staff with direct field experience in early childhood programs.

(3) That better criteria be developed for the awarding, evaluating, and renewal of preschool contracts.

(4) That improvements be made in the method of reimbursing preschool providers.

(5) That increased effort be made to provide preschool program operators with technical assistance in meeting their contractual obligations.

SEC. 59. The heading of Article 6 (commencing with Section 8255) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, to read:

Article 6. Allocations and Expenditures

SEC. 60. Section 8256 of the Education Code is repealed.

SEC. 61. Section 8257 of the Education Code is amended and renumbered to read:

8228. The department shall do all of the following in administering the provisions of this chapter:

(a) Apply sanctions against contracting agencies that have serious licensing violations, as defined and reported by the State Department of Social Services pursuant to Section 1597.11 of the Health and Safety Code.

(b) Except in the case of immediate terminations taken pursuant to Section 8315 or 8316, provide 90 days' written notification to any contractor whose agreement is being terminated. Notwithstanding Article 13 (commencing with Section 8306), the department shall establish procedures for placing a contractor whose agreement is being terminated into receivership. Action to initiate receivership shall be at the discretion of the department, and may be taken against a contractor whose agreement is being terminated either immediately or within 90 days. The receiver shall not be a department employee. The receiver shall have sufficient experience in the administration of early childhood programs to ensure compliance with the terms of the receivership.

SEC. 62. Section 8258 of the Education Code is amended and renumbered to read:

8229. (a) No person employed by the department in a policymaking position in the area of preschool programs shall serve as a member of the board of directors, advisory council, or advisory committee for any agency receiving funds pursuant to this chapter. The provisions of this subdivision shall not apply to any person appointed prior to January 1, 1985.

(b) No retired, dismissed, separated, or formerly employed person of the state department employed under the State Civil Service or otherwise appointed to serve in the state department may enter into a contract pursuant to Section 8233 in which the person engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decisionmaking process relevant to the contract while employed in any capacity by the state department. The prohibition contained in this subdivision shall apply to the person only during the two-year period beginning on the date the person left state employment.

(c) For a period of 12 months following the date of their retirement, dismissal, or separation from state service, no person employed under State Civil Service or otherwise appointed to serve in the state department may enter into a contract pursuant to Section 8233 if the person was employed by the department in a policymaking position in the area of preschool programs within the 12-month period prior to their retirement, dismissal, or separation.

(d) For a period of 12 months following the date of their retirement, dismissal, or separation from state service, no person employed under State Civil Service or otherwise appointed to serve in the department may be employed by a contractor pursuant to Section 8233 if the person engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decisionmaking process relevant to the contract while employed in any capacity by the department.

(e) The provisions of subdivisions (b), (c), and (d) shall not apply to any persons who were already in the situations described by these subdivisions prior to January 1, 1985.

SEC. 63. Section 8260 of the Education Code is amended and renumbered to read:

8230. The department shall develop and coordinate resources, provide technical assistance, monitor program implementation, generate maximum federal reimbursement wherever possible for the federally eligible children, and facilitate alternative funding for those children for whom federal funds are not available.

SEC. 64. Section 8261 of the Education Code is amended and renumbered to read:

8231. The Superintendent shall adopt rules and regulations pursuant to this chapter. The rules and regulations shall include, but not be limited to, provisions that do all of the following:

(a) Provide clear guidelines for the selection of agencies when child development contracts are let, including, but not limited to, specification that any agency headquartered in the proposed service area will be given priority for a new contract in that area, unless the department makes a written determination that (A) the agency is not able to deliver the level of services specified in the request for proposal, or (B) the department has notified the agency that it is not in compliance with the terms of its contract.

(b) Provide for a contract monitoring system to ensure that agencies expend funds received pursuant to this chapter in accordance with the provisions of their contracts.

(c) Specify adequate standards of agency performance.

(d) Establish reporting requirements for service reports, including provisions for varying the frequency with which these reports are to be submitted on the basis of agency performance.

(e) Specify standards for withholding payments to agencies that fail to submit required fiscal reports.

(f) Set forth standards for department site visits to contracting agencies, including, but not limited to, specification as to the purpose of the visits, the personnel that will perform these visits, and the frequency of these visits which shall be as frequently as staff and budget resources permit.

(g) Authorize the department to develop a process that requires every contracting agency to recompetete for continued funding no less frequently than every five years.

SEC. 65. Section 8261.5 of the Education Code is amended and renumbered to read:

8232. The Superintendent of Public Instruction is authorized to require the collection and submission of information from public and private agencies contracting with the department pursuant to this chapter, including local educational agencies, to meet state and federal reporting requirements and for the effective administration of preschool programs.

SEC. 66. Section 8262 of the Education Code is amended and renumbered to read:

8233. Notwithstanding any other law, the Superintendent of Public Instruction may enter into and execute local contractual agreements with any public or private entity or agency for the delivery of preschool services or the furnishing of property, facilities, personnel, supplies, equipment, and administrative services related to the delivery of preschool services. Prior to entering into or executing a local agreement, the department shall obtain annual approval from the Department of General Services and the Department of Finance as to the form and general content thereof. The agreements may only be made for the delivery of preschool services, or the furnishing of property, facilities, personnel, supplies, equipment, or administrative services related thereto, which conform with the provisions of this chapter.

SEC. 67. Section 8262.1 of the Education Code is amended and renumbered to read:

8234. Contractors operating or providing services pursuant to this chapter may do both of the following:

(a) (1) Maintain records electronically, in compliance with state and federal standards, as determined by the department. A conversion from a paper record to an electronic format, as well as the storage of the electronic record, shall comply with the minimum standards described in Section 12168.7 of the Government Code and the standards for trustworthy electronic document or record preservation described in Chapter 15 (commencing with Section 22620.1) of Division 7 of Title 2 of the California Code of Regulations.

(2) Pursuant to Section 33421, the records shall be retained by each contractor for at least five years, or, where an audit has been requested by a state agency, until the date the audit is resolved, whichever is longer.

(3) This subdivision does not require a contractor to create records electronically.

(b) (1) Use a digital signature that complies with state and federal standards, as determined by the department, that may be a marking that is either computer generated or produced by electronic means and is intended by the signatory to have the same effect as a handwritten signature.

(2) The use of a digital signature shall have the same force and effect as the use of a manual signature if the requirements for the digital signatures and their acceptable technology, as provided in Section 16.5 of the Government Code and in Chapter 10 (commencing with Section 22000) of Division 7 of Title 2 of the California Code of Regulations, are satisfied.

SEC. 68. Section 8262.2 of the Education Code is amended and renumbered to read:

8235. Contractors operating or providing services pursuant to this chapter may use digital forms to allow families to apply for services, if those forms comply with state and federal standards.

SEC. 69. Section 8262.3 of the Education Code is amended and renumbered to read:

8236. On and after the date on which the Superintendent determines that the Financial Information System for California (Fi\$Cal Project) has been implemented within the department, at the request of a contractor, for a contract executed by the department pursuant to Section 8233, the department shall request the Controller to make a payment via direct deposit by electronic funds transfer through the Fi\$Cal Project into the contractor's account at the financial institution of the contractor's choice.

SEC. 70. Section 8262.5 of the Education Code is amended and renumbered to read:

8237. (a) In contract transfer situations in programs funded pursuant to this chapter, the Superintendent of Public Instruction may grant a certificate of operation to preschool facilities pursuant to this section.

(b) For purposes of maintaining continuity of services to children, the superintendent may grant a certificate of operation to any preschool facility that meets all of the following conditions:

(1) The superintendent, or the superintendent's designee, has visited the facility and verified, in writing, to the State Department of Social Services licensing agency that the facility has no deficiencies at the time of granting the certificate of operation that would endanger the physical health, mental health, safety, or welfare of the children.

(2) Without a certificate of operation in lieu of a license from the State Department of Social Services, the facility would be ineligible to receive, as applicable, state or federal funds.

(c) A facility issued a certificate of operation pursuant to this section shall be deemed to be operating under licensing standards for childcare and development facilities specified by Chapters 3.4 (commencing with Section 1596.70), 3.5 (commencing with Section 1596.90), and 3.6 (commencing with Section 1597.30) of Division 2 of the Health and Safety Code and by Title 22 of the California Code of Regulations for the term specified on the certificate.

(d) A facility granted a certificate of operation shall submit a completed license application to the State Department of Social Services within 15 working days of the issuance of the certificate of operation. Failure to meet this requirement will result in the cancellation of the certificate of operation. The certificate of operation shall expire upon the issuance or denial of a license by the State Department of Social Services.

SEC. 71. Section 8263 of the Education Code is repealed.

SEC. 72. Section 8263.1 of the Education Code is amended and renumbered to read:

8213. (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 childcare under this chapter.

SEC. 73. Section 8263.2 of the Education Code is repealed.

SEC. 74. Section 8263.3 of the Education Code is repealed.

SEC. 75. Section 8263.4 of the Education Code is repealed.

SEC. 76. Section 8264 of the Education Code is repealed.

SEC. 77. The heading of Article 7 (commencing with Section 8264) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, to read:

Article 7. Transfer of Information

SEC. 78. Section 8264.5 of the Education Code is amended and renumbered to read:

8238. The Superintendent may waive or modify California state preschool requirements in order to enable preschool programs to serve combinations of eligible children in areas of low population.

SEC. 79. Section 8264.6 of the Education Code is amended and renumbered to read:

8239. The Superintendent of Public Instruction may provide outreach services and technical assistance to new contracting agencies and to those providing preschool services during nontraditional times, in underserved geographic areas, and for children with special childcare needs.

SEC. 80. Section 8264.7 of the Education Code is amended and renumbered to read:

8240. (a) The Superintendent of Public Instruction shall establish rules and regulations for the staffing of all preschool programs under contract with the department.

(b) Priority shall be given by the department to the employment of persons in preschool programs with ethnic backgrounds which are similar to those of the child for whom child development services are provided.

(c) For purposes of staffing preschool programs, the role of a teacher in child supervision means direct supervision of the children as well as supervision of aides and groups of children.

(d) Family childcare homes shall operate pursuant to adult/child ratios prescribed in Chapter 7 (commencing with Section 86001) of Division 6 of Title 22 of the California Code of Regulations.

(e) Approval by the Superintendent of Public Instruction of any ongoing or new programs seeking to operate under the ratios and standards established by the Superintendent of Public Instruction under this chapter shall be based upon the following considerations:

- (1) The type of facility in which care is being or is to be provided.
- (2) The ability of the Superintendent of Public Instruction to implement a funding source change.
- (3) The proportion of nonsubsidized children enrolled or to be enrolled by the agency.
- (4) The most cost-effective ratios possible for the type of services provided or to be provided by the agency.

SEC. 81. Section 8264.8 of the Education Code is amended and renumbered to read:

8241. Until the Superintendent of Public Instruction promulgates regulations for center-based programs establishing staffing ratios, the following staffing ratios shall apply:

(a) Infants, 0 to 2 years old—1:3 adult-child ratio, 1:18 teacher-child ratio.

(b) Infants and toddlers, 0 to 2 years old—1:4 adult-child ratio, 1:16 teacher-child ratio.

(c) Children 3 to 6 years old—1:8 adult-child ratio, 1:24 teacher-child ratio.

(d) Children 6 to 10 years old—1:14 adult-child ratio, 1:28 teacher-child ratio.

(e) Children 10 to 13 years old—1:18 adult-child ratio, 1:36 teacher-child ratio.

(f) If groups of children of varying ages are commingled, the teacher and adult ratios shall be proportionate and appropriate to the ages and groups of children.

SEC. 82. The heading of Article 11 (commencing with Section 8265) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 83. The heading of Article 8 (commencing with Section 8265) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, to read:

Article 8. Local Programs

SEC. 84. Section 8265 of the Education Code is repealed.

SEC. 85. Section 8265.1 of the Education Code is repealed.

SEC. 86. Section 8265.2 of the Education Code is amended and renumbered to read:

8243. (a) (1) For purposes of this section, "early childhood mental health consultation service" means a service benefiting a child who is served in a California state preschool program.

(2) For purposes of this section, "early childhood mental health consultation service" includes, but is not limited to, all of the following:

(A) Support to respond effectively to all children, with a focus on young children with disabilities, challenging behaviors, and other special needs.

(B) Assistance through individual site consultations, provision of resources, formulation of training plans, referrals, and other methods that address the unique needs of programs and providers.

(C) Aid to providers in developing the skills and tools needed to be successful as they support the development and early learning of all children, including observing environments, facilitating the development of action plans, and supporting site implementation of those plans.

(D) The development of strategies for addressing prevalent child mental health concerns, including internalizing problems, such as appearing withdrawn, and externalizing problems, such as exhibiting challenging behaviors.

(E) If a child exhibits persistent and serious challenging behaviors, support with the pursuit and documentation of reasonable steps to maintain the child's safe participation in the program, as described in Section 8222.

(b) The cost to an agency of providing an early childhood mental health consultation service shall be reimbursable pursuant to Section 8244 if all of the following apply:

(1) The early childhood mental health consultation service is provided on a schedule of sufficient and consistent frequency to ensure that a mental health consultant is available to partner with staff and families in a timely and effective manner, as determined by the department.

(2) The early childhood mental health consultation service is supervised and provided by a licensed marriage and family therapist, a licensed clinical social worker, a licensed professional clinical counselor, a licensed psychologist, a licensed child and adolescent psychiatrist, or others as determined by the department. The supervisor shall have at least three years of experience working with children 0 to 5 years of age, shall be adequately insured, shall have held their respective license for a minimum of two years, and shall be in full compliance with all continuing education requirements applicable to their profession.

(3) The early childhood mental health consultation service uses a relationship-based model emphasizing strengthening relationships among early childhood education providers, parents, children, and representatives of community systems and resources, and integrates reflective practice into the onsite consultation model.

SEC. 87. Section 8265.5 of the Education Code is amended and renumbered to read:

8244. (a) In order to reflect the additional expense of serving full-day preschool children who meet any of the criteria outlined in subdivision (b), the contractor's reported child days of enrollment for these children shall be multiplied by the adjustment factors listed below.

(b) Notwithstanding any other law, the adjustment factors shall be as follows:

(1) For children with exceptional needs, the adjustment factor shall be 1.54.

(2) For children with severe disabilities, the adjustment factor shall be 1.93.

(3) Prior to January 1, 2022, for children at risk of neglect, abuse, or exploitation, the adjustment factor shall be 1.1.

(4) Prior to January 1, 2022, for dual language learner children, the adjustment factor shall be 1.1.

(5) When early childhood mental health consultation services are provided, pursuant to Section 8243, the adjustment factor shall be 1.05.

(c) In order to reflect the additional expense of serving part-day preschool children, the contractor's reported child days of enrollment for children meeting the criteria in paragraph (1), (2), or (5) of subdivision (b) shall be multiplied by the adjustment factors in those subdivisions.

(d) Use of the adjustment factors shall not increase the contractor's total annual allocation.

(e) (1) Days of enrollment for children who meet more than one of the criteria outlined in paragraphs (1) to (4), inclusive, of subdivision (b) shall not be reported under more than one of the categories specified in those paragraphs.

(2) Notwithstanding paragraph (1), for children for whom an adjustment factor is applied pursuant to any of paragraphs (1) to (4), inclusive, of subdivision (b), and who are additionally eligible for the adjustment factor established in paragraph (5) of subdivision (b), reported child days of enrollment shall be multiplied by the sum of the applicable adjustment factor under paragraphs (1) to (4), inclusive, of subdivision (b) and 0.05.

(f) The difference between the reimbursement resulting from the use of the adjustment factors outlined in subdivision (b) and the reimbursement that would otherwise be received by a provider in the absence of the adjustment factors shall be used for special and appropriate services for each child for whom an adjustment factor is claimed.

SEC. 88. Section 8265.7 of the Education Code is repealed.

SEC. 89. Section 8266 of the Education Code is repealed.

SEC. 90. Section 8266.1 of the Education Code is amended and renumbered to read:

8245. (a) For each fiscal year, for the purposes of this chapter, reimbursement rates for full-day California state preschool shall be adjusted by the following reimbursement factors:

(1) Prior to January 1, 2022, California state preschool program providers serving children for not less than four hours per day, and less than six and one-half hours per day, the reimbursement factor is 75 percent of the standard reimbursement rate.

(2) Prior to January 1, 2022, California state preschool program providers serving children for not less than six and one-half hours per day, and less than 10 and one-half hours per day, the reimbursement factor is 100 percent of the standard reimbursement rate.

(3) For California state preschool program providers serving children for 10 and one-half hours or more per day, the reimbursement factor is 118 percent of the standard reimbursement rate.

(b) It is the intent of the Legislature, notwithstanding the difference between the standard reimbursement rate and the regional market rate, to support serving children for the length of day that is appropriate under a provider's contract.

SEC. 91. Section 8266.2 of the Education Code is repealed.

SEC. 92. Section 8266.5 of the Education Code is repealed.

SEC. 93. Section 8267 of the Education Code is repealed.

SEC. 94. Section 8268 of the Education Code is amended and renumbered to read:

8246. The Superintendent of Public Instruction and the State Controller shall establish the necessary plans to advance preschool funds to contracting agencies.

SEC. 95. Section 8269 of the Education Code is amended and renumbered to read:

8247. (a) The Superintendent of Public Instruction shall adopt rules, regulations, and guidelines to facilitate the funding and reimbursement procedures required by this chapter.

(b) The Superintendent may establish any regulations the Superintendent deems advisable concerning conditions of service and hours of enrollment for children in the programs.

SEC. 96. Section 8270 of the Education Code is amended and renumbered to read:

8248. The Superintendent of Public Instruction shall support the coordination of resources available to state and local agencies serving preschool through grade 12 children and their families. During times of disaster this shall include coordinating resources to support the specific needs of children and families.

SEC. 97. Section 8271 of the Education Code is amended and renumbered to read:

8249. In the event that operating agencies are unable to operate due to incomplete repairs and renovations authorized by administrating state agencies, or due to circumstances beyond the control of the operating agency, including earthquakes, floods, or fire, such programs shall not be penalized for incurred program expenses nor in subsequent annual budget allocations.

SEC. 98. Section 8272 of the Education Code is amended and renumbered to read:

8250. (a) The rules, regulations, and guidelines adopted by the Superintendent of Public Instruction pursuant to Sections 8231 and 8247 shall permit reimbursement for interest paid by contractors on private sector debt financing for the purchase, lease-purchase, repair, or renovation of preschool facilities owned or leased by contractors providing center-based preschool.

(b) The Superintendent of Public Instruction shall adopt regulations requiring contractors to demonstrate that the amount of interest paid in a year on private sector debt financing for the purposes identified in subdivision (a) does not exceed the value obtained by the state in the use of the facilities during the year for the preschool services program. The regulations shall include, but not be limited to, the following methods of making this demonstration:

(1) Amortization of a loan or lease-purchase contract on a straight-line basis for the purchase price of a portable building, including any transportation charges, installation charges, loan fees, taxes, points or other fees associated with the purchase, over a period of 15 years or more.

(2) Amortization of a loan or lease-purchase contract on a straight-line basis for the purchase price of a permanent building and real estate, including any loan fees, taxes, points or other fees associated with the purchase, over a period of 15 years or more.

(3) Evidence acceptable to the Superintendent of Public Instruction that loan payments for the purchase of a portable building or permanent building and real estate, including principal and interest, do not exceed the fair market rental cost that the contractor would have paid if the property was not purchased.

(c) Loans or lease-purchase agreements amortized over the number of years designated in subdivision (b), but due in a fewer number of years, shall not be disallowed because of the shorter due date.

SEC. 99. Section 8272.1 of the Education Code is amended and renumbered to read:

8251. An agency contracting with the department to provide California state preschool program 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 preschool programs, licensing regulations relating to preschool programs, recognition and reporting of suspected abuse of children in preschool programs, managing challenging behaviors and preventing expulsion of children, and addressing items on the program's Quality Rating and Improvement System (QRIS) Quality plan.

SEC. 100. The heading of Article 11.5 (commencing with Section 8273) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 101. The heading of Article 9 (commencing with Section 8273) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, to read:

Article 9. Individualized Counties of Alameda, Contra Costa, Fresno, Marin, Monterey, San Benito, San Diego, Santa Clara, Santa Cruz, Solano, and Sonoma Childcare Subsidy Plans

SEC. 102. Section 8273 of the Education Code is amended and renumbered to read:

8252. (a) The Superintendent shall use the fee schedule developed in conjunction with the State Department of Social Services for families using full-day preschool services pursuant to this chapter, including families receiving services pursuant to subdivision (a) of Section 8211.

(b) Families shall be assessed a single flat monthly fee for all state subsidized early childhood services received, including California state preschool program services and services received through childcare and development programs administered by the State Department of Social Services, pursuant to Section 10290 of the Welfare and Institutions Code.

(c) 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

(42 U.S.C. Sec. 1381 et seq.) and Chapter 3 (commencing with Section 12000) of Part 3 of Division 9 of the Welfare and Institutions Code shall not be included in total countable income for purposes of determining the amount of the family fee.

(d) Family fees shall be assessed at initial enrollment and reassessed at recertification.

(e) Family fees shall be used by contractors to pay reasonable and necessary costs for providing additional services.

(f) It is the intent of the Legislature that the new family fees shall be cost neutral to the state and generate roughly the same amount of revenue as was generated under the previous family fee schedule.

(g) Notwithstanding any other provision of this article, family fees shall not be collected for the 2021–22 fiscal year pursuant to Section 263 of the act that added this subdivision.

SEC. 103. Section 8273.1 of the Education Code is amended and renumbered to read:

8253. (a) A family that receives services pursuant to paragraph (1) of subdivision (a) of Section 8211 may be exempt from family fees for up to 12 months.

(b) Notwithstanding any other law, a family receiving CalWORKs cash aid shall not be charged a family fee.

(c) Notwithstanding any other law, commencing with the 2014–15 fiscal year, family fees shall not be assessed for the part-day California preschool program to eligible families whose children are enrolled in that program pursuant to Article 2 (commencing with Section 8207).

SEC. 104. Section 8273.3 of the Education Code is amended and renumbered to read:

8254. (a) The family fee schedule shall provide, among other things, that a contractor or provider may require parents to provide diapers. A contractor or provider offering field trips either may include the cost of the field trips within the service rate charged to the parent or may charge parents an additional fee. Federal or state money shall not be used to reimburse parents for the costs of field trips if those costs are charged as an additional fee. A contractor or family childcare home provider that charges parents an additional fee for field trips shall inform parents, before enrolling the child, that a fee may be charged and that no reimbursement will be available.

(b) A contractor or family childcare home provider may require parents to provide diapers or charge parents for field trips, subject to all of the following conditions:

(1) The contractor or family childcare home provider has a written policy adopted by the agency's governing board that includes parents in the decisionmaking process regarding both of the following:

(A) Whether or not, and how much, to charge for field trip expenses.

(B) Whether or not to require parents to provide diapers.

(2) The contractor or family childcare home provider does not charge fees in excess of twenty-five dollars (\$25) per child in a contract year.

(3) The contractor or family childcare home provider does not deny participation in a field trip due to a parent's inability or refusal to pay the fee.

(4) The contractor or family childcare home provider does not take adverse action against a parent for the parent's inability or refusal to pay the fee.

(c) A contractor or family childcare home provider shall establish a system that prevents the identification of children based on whether or not a child's family has paid field trip fees.

(d) The contractor or provider shall report expenses incurred and income received for field trips to the department. Income received shall be reported as restricted income.

SEC. 105. The heading of Article 12 (commencing with Section 8275) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 106. Section 8275 of the Education Code is amended and renumbered to read:

8255. (a) The Superintendent may approve and reimburse startup costs for contracts under this chapter or facilities in an amount not to exceed 15 percent of the expansion or increase of each agency's total contract amount. Under no circumstances shall

reimbursement for startup costs result in an increase in the agency's total award amount. These funds shall be available for all of the following:

- (1) The employment and orientation of necessary staff.
- (2) The setting up of the program and facility.
- (3) The finalization of rental agreements and the making of necessary deposits.
- (4) The purchase of a reasonable inventory of materials and supplies.
- (5) The purchase of an initial premium for insurance.

(b) Agencies shall submit claims for startup costs with their first quarterly reports.

(c) The Legislature recognizes that allowances for startup costs are necessary for the establishment and stability of new preschool programs.

SEC. 107. Section 8275.5 of the Education Code is amended and renumbered to read:

8256. (a) The department shall promote full utilization of California state preschool program 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.

SEC. 108. Section 8276 of the Education Code is amended and renumbered to read:

8257. (a) The Superintendent of Public Instruction shall develop a plan and procedures for the allocation of expansion funding balances resulting from the prorata allocation of expansion for the partial year operations of new agencies.

(b) The plan shall provide for the distribution of such funds among contracting agencies whose enrollments include children with special needs and shall limit the agencies' use of these funds to the purchase of approved equipment or materials or one-time-only services, or any of them, that will directly benefit the children with special needs.

SEC. 109. Section 8276.5 of the Education Code is repealed.

SEC. 110. Section 8276.7 of the Education Code is amended and renumbered to read:

8258. Unless specifically exempted by the Legislature, the administrative cost for all state-funded preschool programs and all federal programs administered by the state shall not exceed 15 percent of the funds provided for those programs. Eighty-five percent of these funds shall be used to provide services in accordance with rules and regulations, or contractual funding terms and conditions prescribed by the Superintendent of Public Instruction.

SEC. 111. Section 8277 of the Education Code is repealed.

SEC. 112. Section 8277.1 of the Education Code is repealed.

SEC. 113. Section 8277.2 of the Education Code is repealed.

SEC. 114. Section 8277.3 of the Education Code is repealed.

SEC. 115. Section 8277.4 of the Education Code is repealed.

SEC. 116. Section 8277.5 of the Education Code is repealed.

SEC. 117. Section 8277.6 of the Education Code is repealed.

SEC. 118. Section 8277.65 of the Education Code is repealed.

SEC. 119. Section 8277.66 of the Education Code is repealed.

SEC. 120. Section 8277.7 of the Education Code is repealed.

SEC. 121. Section 8277.8 of the Education Code is repealed.

SEC. 122. Section 8278.3 of the Education Code is repealed.

SEC. 123. Section 8279 of the Education Code is amended and renumbered to read:

8260. Each county shall, as a minimum, maintain the level of expenditure for child development services provided by the county during the 1970–71 fiscal year. These funds shall be used exclusively for child development programs and shall be considered unrestricted funds unless restricted by the county granting the funds.

SEC. 124. Section 8279.1 of the Education Code is amended and renumbered to read:

8261. (a) The Legislature recognizes that preschool programs have made valuable contributions towards ensuring that public assistance recipients will be able to accept and maintain employment or employment-related training. Therefore, it is the intent of the Legislature that the Superintendent ensure that counties comply with the requirements of Section 8260.

(b) The Superintendent shall ensure each county's compliance with Section 8260 by not issuing funds to a local preschool contractor within a county until the Superintendent has received written certification from that county that the level of expenditure for childcare services provided by the county has been maintained at the 1970–71 fiscal year level pursuant to Section 8260. Funding provided by a county to a local preschool contractor shall not adversely affect the reimbursement received by the agency from the Superintendent pursuant to Section 8242 or 8244.

SEC. 125. Section 8279.2 of the Education Code is amended and renumbered to read:

8262. The Superintendent of Public Instruction shall publish the methodology and data used, including county-specific data if such data is used, for the allocation of preschool funds. The superintendent shall make this information available to the public, within 90 days of an allocation. It is the intent of the Legislature to expedite the allocation of funds to the field as quickly as possible. Nothing in this section shall create a requirement for a public hearing on the allocation methodology prior to the issuance of a request for application.

SEC. 126. Section 8279.3 of the Education Code is amended and renumbered to read:

8263. (a) The department shall disburse augmentations to the base allocation for the expansion of preschool programs to promote equal access to preschool services across the state.

(b) (1) In order to provide progress towards achieving access to full-day, full-year preschool services for all income eligible four-year-old children and to promote access for all income-eligible four-year-old children to attend at least a part-day California state preschool program, the Superintendent of Public Instruction shall, in awarding new funding appropriated by the Legislature, in any fiscal year, for the expansion of California state preschool programs, use the formula developed pursuant to subdivision (c) and may use the priorities identified by local childcare and development planning councils, as provided for in Section 10486 of the Welfare and Institutions Code, and 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 8242 and as determined in the annual Budget Act.

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

(c) The Superintendent of Public Instruction shall develop a formula for prioritizing the disbursement of augmentations pursuant to this section. The formula shall give priority to allocating funds to underserved areas. The Superintendent of Public Instruction shall develop the formula by using the definition of "underserved area" in Section 8205 and direct impact indicators of need for preschool services in the county or subcounty areas. For purposes of this section, "subcounty areas" include, but are not limited to, school districts, census tracts, or ZIP Code areas that are deemed by the Superintendent of Public Instruction to be most appropriate to the type of program receiving an augmentation. Direct impact indicators of need may include, but are not limited to, the teenage pregnancy rate, the unemployment rate, area household income, or the number or percentage of families receiving public assistance, eligible for Medi-Cal, or eligible for free or reduced-price school meals, and any unique characteristics of the population served by the type of program receiving an augmentation.

(d) To promote equal access to services and allocate resources equitably, the Superintendent of Public Instruction shall develop a process for identifying underserved areas and populations within counties. This guidance shall include reference to the direct impact indicators of need described in subdivision (c).

(e) 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 pursuant to 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.

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

SEC. 127. Section 8279.4 of the Education Code is repealed.

SEC. 128. Section 8279.5 of the Education Code is repealed.

SEC. 129. Section 8279.6 of the Education Code is repealed.

SEC. 130. Section 8279.7 of the Education Code is repealed.

SEC. 131. The heading of Article 13 (commencing with former Section 8280) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 132. Article 13.1 (commencing with Section 8280) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 133. The heading of Article 13.5 (commencing with Section 8282) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 134. Section 8282 of the Education Code is amended and renumbered to read:

8264. (a) The Legislature finds and declares that the state makes a substantial, annual investment in preschool programs for eligible families. It is in the best interests of children and their families, and the taxpayers of California, to have information about the development and learning abilities of children developed in these settings, health and other information transferred to, or otherwise available to, the pupil's elementary school.

(b) When a child in a state-funded preschool program will be transferring to a local public school, the preschool program shall provide the parent or guardian with information from the previous year deemed beneficial to the pupil and the public school teacher, including, but not limited to, development issues, social interaction abilities, health background, and diagnostic assessments, if any. The preschool program may, with the permission of the parent or guardian, transfer this information to the pupil's elementary school.

(c) Any child who has participated in a state subsidized preschool that maintains results-based standards, including the desired results accountability system, may have the performance information transferred to any subsequent or concurrent public school setting. Any transferred information shall be in summary form and only accomplished with the permission of the parent or guardian.

SEC. 135. Section 8282.5 is added to the Education Code, to read:

8282.5. Commencing on the effective date of the act that added this section, the components of the plan relating to preschool shall be overseen by the department and the components of the plan addressing all other childcare programs shall be overseen by the State Department of Social Services.

SEC. 136. The heading of Article 10 (commencing with Section 8283) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, to read:

Article 10. Childcare Subsidy Plan for the City and County of San Francisco

SEC. 137. Article 14 (commencing with Section 8286) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 138. Section 8288.5 is added to the Education Code, to read:

8288.5. Commencing on the effective date of the act that added this section, the components of the plan relating to preschool shall be overseen by the department and the components of the plan addressing all other childcare programs shall be overseen

by the State Department of Social Services.

SEC. 139. The heading of Article 11 (commencing with Section 8289) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, to read:

Article 11. Individualized County of San Mateo Childcare Subsidy Plan

SEC. 140. Section 8294.5 is added to the Education Code, to read:

8294.5. Commencing on the effective date of the act that added this section, the components of the plan relating to preschool shall be overseen by the department and the components of the plan addressing all other childcare programs shall be overseen by the State Department of Social Services.

SEC. 141. The heading of Article 12 (commencing with Section 8295) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, to read:

Article 12. Child Development Program Personnel Qualifications

SEC. 142. Section 8298 is added to the Education Code, to read:

8298. (a) An entity operating preschool programs providing services to children at two or more sites, including through more than one contract or subcontract funded pursuant to this chapter, shall employ a program director who possesses one of the following:

(1) A permit issued by the Commission on Teacher Credentialing authorizing supervision of a childcare and development program operating in multiple sites.

(2) Any person who meets the following criteria is eligible to supervise a preschool program operating in multiple sites and serve in an instructional capacity in a preschool program:

(A) Possesses a current credential issued by the Commission on Teacher Credentialing authorizing teaching service in elementary school or a single subject credential in home economics.

(B) Six units in administration and supervision of early childhood education or child development, or both. The requirement set forth in this paragraph does not apply to any person who was employed as a program director prior to January 1, 1993, in a preschool program receiving funding under this chapter.

(C) Twelve units in early childhood education or child development, or both, or at least two years' experience in early childhood education or a preschool program.

(3) A waiver issued by the Superintendent of Public Instruction pursuant to this section.

(b) (1) For purposes of this section, the following definitions apply:

(A) "Administrative responsibility" means awareness of the financial and business circumstances of the program, and, in appropriate cases, supervision of administrative and support personnel and the knowledge and authority to direct or modify administrative practices and procedures to ensure compliance to administrative and financial standards imposed by law.

(B) "Program director" means a person who, regardless of their title, has programmatic and administrative responsibility for an early childhood program that provides services to children at two or more sites.

(C) "Programmatic responsibility" means overall supervision of curriculum and instructional staff, including instructional aides, and the knowledge and authority to direct or modify program practices and procedures to ensure compliance to applicable quality and health and safety standards imposed by law.

(2) "Administrative responsibility" and "programmatic responsibility" also include the responsibility to act as the representative for the preschool program to the department. With respect to preschool programs operated through family childcare homes, "administrative responsibility" and "programmatic responsibility" include ensuring that quality services are provided in the family childcare homes.

(c) The program director may also serve as the site supervisor at one of the sites, provided that the program director fulfills both the duties of a "childcare center director," as set forth in Section 101215.1 of Title 22 of the California Code of Regulations, and meets the qualifications for a site supervisor, as set forth in Section 8205.

(d) The Superintendent of Public Instruction may waive the qualifications for a program director upon a finding of either of the following circumstances:

(1) The applicant is making satisfactory progress toward securing a permit issued by the Commission on Teacher Credentialing authorizing supervision of a childcare and development program operating in two or more sites or fulfilling the qualifications for

program directors of childcare and development programs that provide service to severely disabled children, as specified in Section 10381.5 of the Welfare and Institutions Code.

(2) The place of employment is so remote from institutions offering the necessary coursework as to make continuing education impracticable and the contractor has made a diligent search but has been unable to hire a more qualified applicant.

(e) The Superintendent of Public Instruction, upon good cause, may, by rule, identify and apply grounds, in addition to those specified in subdivision (d), for granting a waiver of the qualifications for program director.

SEC. 143. The heading of Article 13 (commencing with Section 8306) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, to read:

Article 13. Administrative Review

SEC. 144. The heading of Article 15 (commencing with Section 8320) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 145. Section 8320 of the Education Code is amended and renumbered to read:

8265. The governing board of any school district or a county superintendent of schools with the approval of the county board of education is authorized to establish and maintain preschool programs upon the approval of, and subject to the regulations of the Superintendent of Public Instruction.

SEC. 146. Section 8321 of the Education Code is amended and renumbered to read:

8266. (a) The county superintendent of schools in each county, with the approval of the county board of education and the Superintendent of Public Instruction, shall have the authority to establish and maintain preschool programs and centers in the same manner and to the same extent as governing boards of school or community college districts, except that nothing in this section shall be construed as vesting in the county superintendents of schools any authority to alone effect the levy and collection of any county, school, or other local taxes for the support of any preschool programs.

(b) The establishment and maintenance of any preschool program by the county superintendent of schools shall be undertaken, subject to the prior approval of both the county board of education and the Superintendent of Public Instruction, upon the application of one or more school districts under the county superintendent's jurisdiction.

SEC. 147. Section 8322 of the Education Code is amended and renumbered to read:

8267. The governing board of any school district or the county superintendent of schools may do the following:

(a) Accommodate in a preschool facility maintained by it children residing in another district, upon terms and under conditions agreed upon by the governing boards of both districts.

(b) Permit the use of, and furnish maintenance for, buildings, grounds, and equipment, and the use of existing administrative personnel for the purposes of this chapter.

(c) Adopt reasonable rules and regulations governing the preschool services or facilities maintained by it that are not in conflict with law or the standards and regulations established for child development services by the Superintendent of Public Instruction.

SEC. 148. Section 8324 of the Education Code is amended and renumbered to read:

8268. The employees of school districts or community college districts, or county superintendents of schools in preschool services under this division shall have the same rights and privileges as are granted to employees of the same agencies in children's centers.

SEC. 149. The heading of Article 14 (commencing with Section 8325) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, to read:

Article 14. Contract Procedures

SEC. 150. Section 8326 of the Education Code is amended and renumbered to read:

8269. Notwithstanding any other provisions of this chapter, a public or private agency, a school district, a community college district or a county superintendent of schools operating preschool facilities may enter into an agreement with the Employment Development Department that will provide an opportunity to participants in work incentive programs under Division 2 (commencing with Section 5000) of the Unemployment Insurance Code for training in child development facilities. Training pursuant to that agreement shall have the objective of preparation for a career in the field of child development.

SEC. 151. Section 8327 of the Education Code is amended and renumbered to read:

8270. Notwithstanding any other provision of this chapter, the governing board of a school district or community college district, county superintendent of schools, or other unit of local general purpose government may enter into agreements with any city, city and county, or other public agency, or with a private foundation, nonprofit corporation, or proprietary agency for the furnishing to, or use by, the governing board, county superintendent of schools, or other unit of local general purpose government in carrying out the provisions of this chapter, of property, facilities, personnel, supplies, equipment and other necessary items and such city, county, city and county, other public agency, or private foundation or nonprofit corporation, is authorized to enter into such agreements.

SEC. 152. Section 8328 of the Education Code is amended and renumbered to read:

8271. (a) The governing board of any school district or the county superintendent of schools shall establish in the county treasury a fund to be known as the “child development fund” into which shall be paid all funds received by the district or the county for, or from the operation of, preschool services under this chapter. The costs incurred in the maintenance and operation of preschool services shall be paid from the fund, with accounting to reflect specific funding sources.

(b) Funds of a district derived from the receipt of district taxes or derived from moneys apportioned to the district for the support of schools thereof, in addition to state moneys appropriated for the support of preschool services, fees, and federal funds, may be expended for, or in connection with, preschool services.

SEC. 153. Section 8329 of the Education Code is amended and renumbered to read:

8272. The governing board of any school district maintaining a preschool program may include in its budget the amount necessary to initiate, operate, and maintain a preschool program pursuant to this chapter and the board of supervisors shall levy a school district tax necessary to raise that amount. The tax shall be in addition to any other school district tax authorized by law to be levied.

SEC. 154. Section 8330 of the Education Code is amended and renumbered to read:

8272.5 Community college districts that levied child development permissive override taxes pursuant to Section 8272 and former Section 8330 in the 1977–78 fiscal year and received fiscal relief pursuant to Chapter 282 of the Statutes of 1979 to compensate for the loss of permissive override taxes shall not receive reimbursement for childcare services from the Superintendent of Public Instruction in excess of 75 percent of the standard reimbursement rate for campus childcare programs. Campus childcare programs operated by the University of California, the California State University, and community colleges that did not levy a permissive override tax in the 1977–78 fiscal year shall receive reimbursement from the Superintendent of Public Instruction that equals 100 percent of the standard reimbursement rate for campus childcare and development programs.

SEC. 155. Section 8331 of the Education Code is repealed.

SEC. 156. 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 repealed.

SEC. 157. Section 8332 of the Education Code is amended and renumbered to read:

8273. 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 childcare subsidy plans. The plans shall ensure that childcare subsidies received by the above-named counties are used to address local needs, conditions, and priorities of working families in their respective communities.

SEC. 158. Section 8332.1 of the Education Code is amended and renumbered to read:

8274. 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. 159. Section 8332.2 of the Education Code is amended and renumbered to read:

8275. (a) For purposes of this article, “plan” means an individualized county childcare subsidy plan developed and approved under the pilot project described in Section 8273.

(b) A plan shall include all of the following:

(1) An assessment to identify the county's goals for its subsidized childcare system. The assessment shall examine whether the current structure of subsidized childcare funding adequately supports working families in the county and whether the county's childcare goals coincide with the state's requirements for funding, eligibility, priority, and reimbursement. The assessment shall also identify barriers in the state's childcare subsidy system that inhibit the county from meeting its childcare goals. In conducting the assessment, the county shall consider all of the following:

(A) Needs assessment data collected pursuant to Section 10486 of the Welfare and Institutions Code.

(B) Data collected by resource and referral agencies pursuant to subparagraph (B) of paragraph (3) of subdivision (a) of Section 10219 of the Welfare and Institutions Code.

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

(D) The cost of providing childcare.

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

(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 8252 of this code or Section 10290 of the Welfare and Institutions Code, as applicable for those families who are income eligible, as defined by Section 8213 of this code or Section 10271.5 of the Welfare and Institutions Code, as applicable, and provide the exemptions for family fees specified in Section 8253 of this code or Section 10291 of the Welfare and Institutions Code, as applicable.

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

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

(v) (I) Authorize an agency that provides childcare 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 8277.

(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 childcare services pursuant to Chapter 21 (commencing with Section 10370) of Part 1.8 of Division 9 of the Welfare and Institutions Code, for purposes of eligibility, fees, and reimbursements, the same or higher level of benefit as a family that qualifies for subsidized childcare on another basis pursuant to the local policy, except as otherwise provided in Chapter 21 (commencing with Section 10370) of Part 1.8 of Division 9 of the Welfare and Institutions Code. Nothing in this section shall be interpreted to impact or reduce any element in the second or third stage of childcare services pursuant to Chapter 21 (commencing with Section 10370) of Part 1.8 of Division 9 of the Welfare and Institutions Code 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 childcare 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 8213 of this code or Section 10271.5 of the Welfare and Institutions Code, as applicable.

(iii) Reimbursement rates, including adjustment factors identified in Section 8244 of this code or Section 10281.5 of the Welfare and Institutions Code, as applicable.

(iv) Methods of maximizing the efficient use of subsidy funds, including, but not limited to, multiyear contracting with the department for center-based childcare, 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 2 (commencing with Section 8207), 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 8263.

(3) Recognition that all funding sources utilized by contractors that provide childcare 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 childcare goals, and to overcome any barriers identified in the state's childcare subsidy system.

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

(d) 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.

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

SEC. 160. Section 8332.25 of the Education Code is amended and renumbered to read:

8276. 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. 161. Section 8332.3 of the Education Code is amended and renumbered to read:

8277. (a) (1) The plan shall be submitted to the local planning council, as defined in Section 10480 of the Welfare and Institutions Code, 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.

(c) Plan modifications, including subsequent rate changes, shall be submitted to the local planning council, as defined in subdivision (g) of Section 10480 of the Welfare and Institutions Code, 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. 162. Section 8332.4 of the Education Code is amended and renumbered to read:

8278. (a) The County of Santa Clara shall, by the end of the first fiscal year of operation under the approved childcare subsidy plan, demonstrate, in the report required pursuant to Section 8279, an increase in the total aggregate child days of enrollment in childcare 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 childcare subsidy plan, demonstrate, in the report required pursuant to Section 8279, an increase in the total aggregate child days of enrollment in childcare 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 childcare subsidy plan, demonstrate, in the report required pursuant to Section 8279, an increase in the total aggregate child days of enrollment in childcare in the county as compared to the enrollment in the final quarter of the 2016–17 fiscal year.

SEC. 163. Section 8332.5 of the Education Code is amended and renumbered to read:

8279. (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 childcare 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.

(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. 164. Section 8332.6 of the Education Code is amended and renumbered to read:

8280. A participating contractor shall receive an increase or decrease in funding that the contractor would have received if the contractor had not participated in the plan.

SEC. 165. Section 8332.7 of the Education Code is amended and renumbered to read:

8281. (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 Counties of Alameda, 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. 166. Section 8332.8 of the Education Code is amended and renumbered to read:

8282. 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. 167. The heading of Article 15.2 (commencing with Section 8335) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 168. The heading of Article 15 (commencing with Section 8335) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, to read:

Article 15. Contract Audit Requirements

SEC. 169. Section 8335 of the Education Code is amended and renumbered to read:

8283. The City and County of San Francisco may develop and implement an individualized county childcare subsidy plan. The plan shall ensure that childcare subsidies received by the city and county are used to address local needs, conditions, and priorities of working families in the community.

SEC. 170. Section 8335.1 of the Education Code is amended and renumbered to read:

8284. Before implementing the local subsidy plan, the City and County of San Francisco, in consultation with the department, shall develop an individualized county childcare 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 childcare system. The assessment shall examine whether the current structure of subsidized childcare funding adequately supports working families in the city and county and whether the city and county's childcare goals coincide with the state's requirements for funding, eligibility, priority, and reimbursement. The assessment shall also identify barriers in the state's childcare subsidy system that inhibit the city and county from meeting its childcare 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 childcare, including employment, income, language, ethnic, and family composition.
- (2) The current supply of available subsidized childcare.
- (3) The level of need for various types of subsidized childcare 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 childcare.
- (6) Family fees.
- (7) The cost of providing childcare.
- (8) The regional market rates, as established by the department, for different types of childcare.
- (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 preschool.

(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 8252 of this code or Section 10290 of the Welfare and Institutions Code, as applicable, for those families that are income eligible, as defined by Section 8213 of this code or Section 10271.5 of the Welfare and Institutions Code, as applicable.

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

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

(E) (i) Authorize any agency that provides childcare 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 childcare subsidy plan is approved pursuant to subdivision (b) of Section 8285, or modified pursuant to subdivision (c) of Section 8285.

(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 childcare 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 preschool subsidy programs with regard only to the following factors:

(A) Provide a family that qualifies for the second or third stage of childcare services pursuant to Chapter 21 (commencing with Section 10370) of Part 1.8 of Division 9 of the Welfare and Institutions Code, for purposes of eligibility, fees, and reimbursements, the same or higher level of benefit as a family that qualifies for subsidized childcare on another basis pursuant to the local policy, except as otherwise provided in Chapter 21 (commencing with Section 10370) of Part 1.8 of Division 9 of the Welfare and Institutions Code. Nothing in this section shall be interpreted to impact or reduce any element in the second or third stage of childcare services pursuant to Chapter 21 (commencing with Section 10370) of Part 1.8 of Division 9 of the Welfare and Institutions Code 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 8213 of this code or Section 10271.5 of the Welfare and Institutions Code, as applicable.

(C) Reimbursement rates, including adjustment factors identified in Section 8244 of this code or Section 10281.5 of the Welfare and Institutions Code, as applicable.

(D) The ratio of four-year-old children in state preschool programs pursuant to subdivision (b) of Section 8263.

(E) Methods of maximizing the efficient use of subsidy funds, including, but not limited to, multiyear contracting with the department for center-based childcare 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 2 (commencing with Section 8207), 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 contractors that provide childcare and development services in the city and county are eligible to be included in the preschool 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 childcare goals and to overcome any barriers identified in the state's childcare subsidy system.

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

SEC. 171. Section 8335.3 of the Education Code is amended and renumbered to read:

8285. (a) The plan shall be submitted to the local planning council, as defined in subdivision (g) of Section 10480 of the Welfare and Institutions Code, 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 9 (commencing with Section 8273) or that are in conflict with federal law.

SEC. 172. Section 8335.4 of the Education Code is amended and renumbered to read:

8286. (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 childcare 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. 173. Section 8335.5 of the Education Code is amended and renumbered to read:

8287. Any modifications to the plan shall be submitted in conformance with the procedures established in Article 9 (commencing with Section 8273).

SEC. 174. Section 8335.6 of the Education Code is amended and renumbered to read:

8288. A participating contractor shall receive any increase or decrease in funding that the contractor would have received if the contractor had not participated in the local subsidy plan established by this article.

SEC. 175. The heading of Article 16 (commencing with Section 8337) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, to read:

Article 16. Inclusive Early Education Expansion

SEC. 176. The heading of Article 17 (commencing with Section 8340) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, to read:

Article 17. Head Start

SEC. 177. The heading of Article 15.4 (commencing with Section 8347) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 178. Section 8347 of the Education Code is amended and renumbered to read:

8289. On and after July 1, 2014, the individualized county childcare subsidy plan for the County of San Mateo that was developed as a pilot project pursuant to Article 15.3 (commencing with Section 8340), as that article read on January 1, 2013, may continue in existence and may be implemented in accordance with the provisions of this article. The plan shall ensure that childcare subsidies received by the County of San Mateo are used to address local needs, conditions, and priorities of working families in those communities.

SEC. 179. Section 8347.1 of the Education Code is amended and renumbered to read:

8290. For purposes of this article, "county" means the County of San Mateo.

SEC. 180. Section 8347.2 of the Education Code is amended and renumbered to read:

8291. For purposes of this article, "plan" means an individualized county childcare subsidy plan developed and approved as described in Section 8289, which includes all of the following:

(a) An assessment to identify the county's goal for its subsidized childcare system. The assessment shall examine whether the current structure of subsidized childcare funding adequately supports working families in the county and whether the county's childcare goals coincide with the state's requirements for funding, eligibility, priority, and reimbursement. The assessment shall also identify barriers in the state's childcare subsidy system that inhibit the county from meeting its childcare goals. In conducting the assessment, the county shall consider all of the following:

(1) The general demographics of families who are in need of childcare, including employment, income, language, ethnic, and family composition.

(2) The current supply of available subsidized childcare.

(3) The level of need for various types of subsidized childcare 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 childcare.

(6) Family fees.

(7) The cost of providing childcare.

(8) The regional market rates, as established by the department, for different types of childcare.

(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 childcare.

(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 8252 of this code or Section 10290 of the Welfare and Institutions Code, as applicable, for those families that are income eligible, as defined by Section 8213 of this code or Section 10271.5 of the Welfare and Institutions Code, as applicable.

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

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

(E) (i) Authorize any agency that provides childcare 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 8292.

(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 childcare subsidy programs with regard only to the following factors:

(A) Provide a family that qualifies for the second or third stage of childcare services pursuant to Chapter 21 (commencing with Section 10370) of Part 1.8 of Division 9 of the Welfare and Institutions Code, for purposes of eligibility, fees, and reimbursements, the same or higher level of benefit as a family that qualifies for subsidized childcare on another basis pursuant to the local policy, except as otherwise provided in Chapter 21 (commencing with Section 10370) of Part 1.8 of Division 9 of the Welfare and Institutions Code. Nothing in this section shall be interpreted to impact or reduce any element in the second or third stage of childcare services pursuant to Chapter 21 (commencing with Section 10370) of Part 1.8 of Division 9 of the Welfare and Institutions Code 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 8213 of this code or Section 10271.5 of the Welfare and Institutions Code, as applicable.

(C) Reimbursement rates, including adjustment factors identified in Section 8244 of this code or Section 10281.5 of the Welfare and Institutions Code, as applicable.

(D) The ratio of four-year-old children in state preschool programs pursuant to subdivision (b) of Section 8263.

(E) Methods of maximizing the efficient use of subsidy funds, including, but not limited to, multiyear contracting with the department for preschool, 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 2 (commencing with Section 8207), 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 contractors that provide childcare 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 childcare goals, and to overcome any barriers identified in the state's childcare 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 childcare services in addition to alternative payment and direct service childcare programs. If the plan includes CalWORKs childcare, the plan administrator shall consult with their county welfare department to identify opportunities for alignment, ensuring families experience no break in their childcare services due to a transition between the three stages of childcare services and policies implemented in the plan.

SEC. 181. Section 8347.3 of the Education Code is amended and renumbered to read:

8292. (a) Except as provided in this section, any modifications to the plan shall be submitted in accordance with the modification procedures described in Article 9 (commencing with Section 8273).

(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 9 (commencing with Section 8273) or that are in conflict with federal law.

SEC. 182. Section 8347.4 of the Education Code is amended and renumbered to read:

8293. (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 childcare 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. 183. Section 8347.5 of the Education Code is amended and renumbered to read:

8294. A participating contractor shall receive any increase or decrease in funding that the contractor would have received if the contractor had not participated in the plan.

SEC. 184. Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 185. The heading of Article 16 (commencing with Section 8360) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 186. Section 8360 of the Education Code is amended and renumbered to read:

8295. (a) (1) Preschool programs shall include a career ladder program for classroom staff. Persons who are 18 years of age and older may be employed as aides and may be eligible for salary increases upon the completion of additional semester units in early childhood education or child development. The governing board of each contracting agency shall be encouraged to provide teachers and aides with salary increases for the successful completion of early childhood education or child development courses in six semester unit increments.

(2) Persons employed as teachers in a preschool program shall possess a permit issued by the Commission on Teacher Credentialing authorizing service in the care, development, and instruction of children in a childcare and development program.

(b) Any person who meets the following criteria is eligible to serve in an instructional capacity in a preschool program:

(1) Possesses a current credential issued by the Commission on Teacher Credentialing authorizing teaching service in elementary school or a single subject credential in home economics.

(2) Twelve units in early childhood education or child development, or both, or two years' experience in early childhood education or a childcare and development program.

SEC. 187. Section 8360.1 of the Education Code is repealed.

SEC. 188. Section 8360.2 of the Education Code is amended and renumbered to read:

8297. Not later than 95 days after the governing board of a public agency sets the date a person employed by that board shall begin service in a position requiring a children's center instructional permit or a children's center supervision permit, that person shall file, on or before that date, with the county superintendent of schools a valid permit issued on or before that date, authorizing

the person to serve in a position for which the person was employed. Upon renewal of that permit, that person shall file that renewal with the county superintendent of schools no later than 95 days after the renewal.

SEC. 189. Section 8360.3 of the Education Code is repealed.

SEC. 190. Section 8361 of the Education Code is amended and renumbered to read:

8299. Notwithstanding any other law, a high school student or any other adult shall be selected by the governing board of a public or private agency to serve as nonteaching personnel to perform noninstructional work. A career ladder shall be utilized in the employment and promotion of such noninstructional personnel. Each such person shall have had a health examination made within the 12-month period preceding the date of employment. Each person shall also submit duplicate personal identification cards upon which shall appear legible fingerprints and a personal description of the applicant.

SEC. 191. Section 8362 of the Education Code is amended and renumbered to read:

8300. The same fee as that prescribed for a credential provided in Section 44235 shall be charged for either the issuance or renewal of each child development permit authorizing service in the supervision and instruction of children in child development programs or authorizing service as a supervisor in a program.

SEC. 192. Section 8363 of the Education Code is amended and renumbered to read:

8301. The Commission on Teacher Credentialing shall by rule or regulation establish the requirements for the following:

(a) The issuance and the renewal of permits authorizing service in the care, development, and instruction of children in childcare and development programs, as well as the issuance of emergency permits for this purpose.

(b) The issuance and renewal of permits authorizing supervision of a childcare and development program, as well as the issuance of emergency permits for this purpose.

(c) The periods of duration of the permits set forth in this section.

SEC. 193. Section 8363.5 of the Education Code is repealed.

SEC. 194. Section 8364 of the Education Code is repealed.

SEC. 195. Section 8365 of the Education Code is amended and renumbered to read:

8302. Each county or city and county board of education or community colleges board may issue temporary certificates for the purpose of authorizing salary payments to preschool employees whose child development permit applications are being processed. The applicant for such a temporary certificate shall make a statement under oath that the applicant has duly filed their application for a permit together with the required fee and that to the best of their knowledge no reason exists why they should not be issued a permit. Such certificate shall be valid for not more than 90 schooldays and only until the permit originally requested is either issued or denied by the Commission for Teacher Preparation and Licensing.

SEC. 196. Section 8365.5 of the Education Code is repealed.

SEC. 197. Section 8366 of the Education Code is amended and renumbered to read:

8303. (a) Each person employed by a public or private agency in a position requiring a child development permit for the supervision and instruction of children, or for service as a physician, dentist, or nurse, or in the supervision of the preschool program, shall be deemed to be employed in a position requiring certification qualifications.

(b) Each other person employed by an agency in a preschool program under the provisions of this chapter shall be deemed for all purposes, including retirement, to be a person employed by the agency in a position not requiring certification qualifications.

(c) A district may lay off an employee required to have such a permit at any time during the school year for lack of work or lack of funds or may provide for the employee's employment for not to exceed 90 days in any one school year on an intermittent basis which shall not be deemed probationary service. The order of layoff shall be determined by length of service. The employee who has served the shortest time shall be laid off first, except that no permanent employee shall be laid off ahead of a probationary employee. A permanent employee who has been laid off shall hold reinstatement rights for a period of 39 months from the date of layoff.

(d) Other persons who are employed as probationary employees in positions requiring such permits on or after September 18, 1959, may be dismissed in accordance with the provisions of Section 44949 or 87740.

SEC. 198. Section 8367 of the Education Code is repealed.

SEC. 199. Section 8368 of the Education Code is repealed.

SEC. 200. Section 8369 of the Education Code is amended and renumbered to read:

8304. Every employee of a child development program who before their employment in such program was employed by the agency maintaining such program in a position entitling the employee to membership in, and who was a member of, the retirement system maintained by such district, and if such employee's contributions to such retirement system were returned to the employee when the employee was employed in the program, the employee shall have the right to elect, by written document filed with the Board of Administration, Public Employees' Retirement System, at any time within 90 days after the date upon which the notice of the right to make that election is mailed by such system, either to the member's latest address on file in the office of such system, or to the office of the governing board of such agency or agencies, and prior to the date of retirement, to contribute to such system, subject to minimum payments fixed by the Board of Administration, and in one or more sums, or in not to exceed 60 monthly payments, an amount which, when added to the employee's accumulated contributions, including interest, transferred as required in paragraph (1) of subdivision (b) of Section 24810, will make a total amount equal to the accumulated contributions, including interest, which would have been credited to the employee in such plan, if the employee had never had their contributions returned. Such employee shall pay to the Public Employees' Retirement System interest on the unpaid balance of the amount payable to such system, beginning with the date of transfer, at the rate of interest currently used from time to time under the system. If such employee elects to make, and makes, such contributions and pays such interest, but not otherwise, the employee shall receive credit under such employees' system, as state service, for all prior service rendered while the employee was not a member of such plan.

SEC. 201. Section 8370 of the Education Code is amended and renumbered to read:

8305. The Commission on Teacher Credentialing shall establish standards for the issuance of the permits herein provided for. The standards may be changed from time to time, but changes therein shall not affect then valid permits issued to persons.

SEC. 202. Article 16.5 (commencing with Section 8385) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 203. The heading of Article 18 (commencing with Section 8400) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 204. Section 8400 of the Education Code is repealed.

SEC. 205. Section 8401 of the Education Code is amended and renumbered to read:

8306. It is the intent of the Legislature to authorize an appeal process for the resolution of disputes between the department and local agencies which contract with the department pursuant to Section 8233 to provide preschool services or to furnish property, facilities, personnel, supplies, equipment and administrative services.

SEC. 206. Section 8401.5 of the Education Code is amended and renumbered to read:

8307. (a) The department shall provide an internal appeal procedure to resolve a dispute between the department and a contracting agency providing preschool services pursuant to Section 8233 regarding the interpretation or application of a term or condition of a contract, or to dispute a finding made by the department resulting from a fiscal or programmatic review, including, but not limited to, an error rate notification.

(b) A contracting agency shall have the right to appeal the findings of a fiscal or programmatic review, including, but not limited to, an error rate finding, by submitting a request for appeal in accordance with the internal appeal procedure developed by the department pursuant to subdivision (a).

SEC. 207. Section 8402 of the Education Code is amended and renumbered to read:

8309. (a) The department shall provide an independent appeal procedure to each contracting agency providing preschool services pursuant to Section 8233 that shall be conducted by the Office of Administrative Hearings and shall be provided upon an appeal petition of the contracting agency in any of the following circumstances:

(1) Termination of a contracting agency's contract.

(2) Denial of more than 4 percent or twenty-five thousand dollars (\$25,000), whichever is less, of a local contracting agency's contracted payment for services schedule.

(3) Demand for remittance of an overpayment of more than 4 percent or twenty-five thousand dollars (\$25,000), whichever is less, of a local contracting agency's annual contract.

(b) Before filing an appeal petition for an action taken pursuant to paragraph (2) or (3) of subdivision (a), the contracting agency shall have submitted all previously required standard monthly or quarterly reporting forms to the department.

SEC. 208. Section 8403 of the Education Code is amended and renumbered to read:

8310. All hearings required by Section 8309 shall be conducted according to the provisions of the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code), except as otherwise directed in this article.

SEC. 209. Section 8404 of the Education Code is amended and renumbered to read:

8311. The Office of Administrative Hearings shall, by June 30, 1982, adopt regulations governing the hearings, which shall include all of the following:

(a) Deadlines for filing petitions, commencing hearings and rendering decisions.

(b) Notice to affected parties.

(c) The manner for maintaining appropriate provision for electronic recording and transcription, if necessary.

(d) Hearings shall be conducted at the offices of the Office of Administrative Hearings in Sacramento or Los Angeles. However, hearings in Los Angeles shall be available only to local contracting agencies with the department whose annual contracts total less than two hundred thousand dollars (\$200,000).

(e) Any other issues deemed appropriate by the Office of Administrative Hearings.

SEC. 210. Section 8405 of the Education Code is amended and renumbered to read:

8312. The determination of the hearing examiner shall be the final administrative determination to be afforded the local contracting agency.

SEC. 211. Section 8406 of the Education Code is amended and renumbered to read:

8313. All actions by the department, as defined in subdivisions (a) to (c), inclusive, of Section 8309 shall be preceded by a written notice of action to the local contracting agency which shall include the following:

(a) A statement of the specific reasons for the action in the Statement of Issues.

(b) A description of the local contracting agency's rights and responsibilities concerning the appeal procedure described herein.

SEC. 212. Section 8406.6 of the Education Code is amended and renumbered to read:

8314. (a) The Superintendent shall establish a contract classification system for purposes of identifying, monitoring, and providing technical assistance to contractors as follows:

(1) Clear contract. This designation shall be given to a contract that is neither a provisional contract, as described in paragraph (2), nor a conditional contract, as described in paragraph (3).

(2) Provisional contract. This designation applies to an agency's first contract for any particular service or to the contract of an existing contracting agency for a new, modified, or different type of service. The timeframe of a provisional contract is at the discretion of the department and is given to ensure that the contracting agency can demonstrate fiscal and programmatic compliance before the contract is designated as a clear contract. The contract status shall be reviewed annually.

(3) Conditional contract. This designation applies to a high-risk contract awarded to a contracting agency that evidences fiscal or programmatic noncompliance, or both fiscal and programmatic noncompliance. A contracting agency with one or more contracts designated as conditional is deemed to be on conditional status with the department for all preschool program

purposes and is subject to any restrictions deemed reasonable to secure compliance. The conditional contract shall include a bill of particulars detailing the items of noncompliance, the standards that must be met to avoid termination of contract and to qualify the agency for clear contract status, and technical assistance plan. Failure to demonstrate substantive progress toward fiscal or program compliance within six months of that designation shall constitute a breach of contract and may subject the contract to termination for any applicable cause specified in Section 8315 or 8317, in accordance with Section 8309.

(b) Agencies with conditional contracts shall receive technical assistance from the department.

(c) Notwithstanding subdivision (b), technical assistance shall be provided to any contracting agency making a written request to its assigned consultant or administrator within 60 days of receipt of the request.

SEC. 213. Section 8406.7 of the Education Code is amended and renumbered to read:

8315. (a) A contracting agency that evidences any of the following acts or omissions may have its contract or contracts immediately terminated if there is documented evidence of the acts or omissions, and upon review and recommendation of the general counsel of the department:

(1) Fraud, or conspiracy to defraud.

(2) Misuse or misappropriation of state or federal funds, including a violation of Section 8316.

(3) Embezzlement.

(4) Threats of bodily or other harm to a state official.

(5) Bribery or attempted bribery of a state official.

(6) Unsafe or unhealthy physical environment or facility.

(7) Substantiated abuse or molestation of children.

(8) Failure to report suspected child abuse or molestation.

(9) Theft of supplies, equipment, or food.

(10) Cessation of operations without the permission of the department, or acts or omissions evidencing abandonment of the contract or contracts.

(11) Failure of a program operating pursuant to this chapter to pay salaries owed to employees, pay federal payroll tax, or fully reimburse a significant number of childcare providers, as determined by the department, for more than 15 days after the employee salaries, federal payroll taxes, or reimbursement payments were due, unless the failure is attributable to a delay in receiving apportionments from the state.

(b) An agency whose contract is immediately terminated pursuant to this section retains appeal rights in accordance with Section 8309.

(c) Notwithstanding any service provision in the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code), a notice of immediate termination shall be served on the contracting agency by personal service or at the last address on file with the department, by overnight mail or certified mail. Service may be proved in the manner authorized in a civil action. Service by mail is complete at the time of deposit.

(d) The department shall advise childcare and development contractors of the provisions of this section within 30 working days of the effective date of the act amending this section during the 2013–14 Regular Session of the Legislature.

SEC. 214. Section 8406.9 of the Education Code is amended and renumbered to read:

8316. (a) An agency that has in place or places a person in a position of fiscal responsibility or control who has been convicted of a crime involving misuse or misappropriation of state or federal funds, or a state or federal crime involving moral turpitude, may have its contract immediately terminated pursuant to Section 8315 if there is documented evidence of the conviction, and upon review and recommendation of the general counsel of the department.

(b) For purposes of this section, "position of fiscal responsibility or control" includes any authority to direct or control expenditure of, or any access to, state or federal preschool funds received pursuant to this chapter whether that authority or access is conferred based on the person's status as an employee, director, manager, board member, or volunteer, or based on any other status.

(c) If the agency provides evidence to the department, before the effective date given in the notice of immediate termination, that the convicted person has been removed from the position of fiscal responsibility or control and provides assurance that the person will not be returned to a position of fiscal responsibility or control, the department shall withdraw the termination action.

SEC. 215. Section 8407 of the Education Code is amended and renumbered to read:

8317. Except for causes listed in Sections 8315 and 8316, termination of a California state preschool program contract shall not occur without good cause and without notice as described in Section 8313 at least 90 days before the effective date given in the notice of termination.

SEC. 216. Section 8408 of the Education Code is amended and renumbered to read:

8318. Actions as defined in subdivision (a) of Section 8309 shall remain in effect during the appeal process. However, local contracting agencies may continue to operate under the contract during an appeal of termination, unless the action is an immediate termination action taken pursuant to Section 8315 or 8316, in which case a contracting agency shall not continue to operate under the contract after the effective date given in the notice of immediate termination.

SEC. 217. Section 8409 of the Education Code is amended and renumbered to read:

8319. All contracts entered into by the department pursuant to Section 8233 shall contain a complete description of the appeal procedures provided in this article.

SEC. 218. Article 19.5 (commencing with Section 8430) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 219. The heading of Article 20 (commencing with Section 8440) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 220. Section 8440 of the Education Code is amended and renumbered to read:

8325. The department shall develop an annual calendar identifying target dates for contract application deadlines, contract award announcements, contract approvals, and contract evaluations. Each calendar shall be available to the public and shall be updated at least annually.

SEC. 221. Section 8441 of the Education Code is amended and renumbered to read:

8326. The department shall develop and maintain a central distribution list for application announcements.

SEC. 222. Section 8442 of the Education Code is amended and renumbered to read:

8327. Application announcements shall contain, but not be limited to, the following information: the goals and objectives of the program, identification of the specific minimum range of services to be purchased related to those goals, quantitative as well as qualitative measures that will be used by the department to evaluate service outcomes, specific criteria and a description of the methodology and timetable that will be followed to review and approve applications, and all minimum performance standards any agency is required to meet prior to contract approval.

SEC. 223. Section 8443 of the Education Code is amended and renumbered to read:

8329. (a) The department shall include all of the following in the application announcement:

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

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

SEC. 224. Section 8444 of the Education Code is amended and renumbered to read:

8330. The department shall identify and transmit to all agencies awarded contracts forms required for contract payments, management information or reports required pursuant to contract objectives, and conditions and methods for contract evaluations. Methods and conditions for payment recoveries, withholding of payments, and contract terminations relating to nonperformance shall also be identified. This information shall be provided in all cases prior to final approval of any contract, unless the information is provided in the contract document.

SEC. 225. Section 8445 of the Education Code is amended and renumbered to read:

8331. The department shall develop a grievance procedure for resolving disputes arising from the awarding or administering of contracts, in addition to the remedies provided under the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code).

SEC. 226. Section 8447 of the Education Code is amended and renumbered to read:

8332. (a) The Legislature hereby finds and declares that greater efficiencies may be achieved in the execution of state subsidized preschool program contracts with public and private agencies by the timely approval of contract provisions by the Department of Finance, the Department of General Services, and the department and by authorizing the department to establish a multiyear application, contract expenditure, and service review as may be necessary to provide timely service while preserving audit and oversight functions to protect the public welfare.

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

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

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

SEC. 227. Section 8447.5 of the Education Code is amended and renumbered to read:

8333. The department may execute a multiyear application process. Multiyear applications may only be submitted by public and private agencies that have been fully compliant in executing prior contracts for at least the preceding three fiscal years as evidenced by all of the following:

- (a) No fiscal audit disclaimer.
- (b) No program quality deficiencies.
- (c) No contract compliance deficiencies.
- (d) No incidents of child abuse or molestation.
- (e) No program management, administrative, or staffing deficiencies.
- (f) Any other criteria as may be deemed necessary to safeguard the public trust.

SEC. 228. The heading of Article 21 (commencing with Section 8448) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 229. Section 8448 of the Education Code is amended and renumbered to read:

8335. As used in this article:

(a) "Financial and compliance audit" means a systematic review or appraisal to determine each of the following:

(1) Whether the financial statements of an audited organization fairly present the financial position and the results of financial operations in accordance with generally accepted accounting principles.

(2) Whether the organization has complied with laws and regulations that may have a material effect upon the financial statements.

(b) "Public accountants" means certified public accountants, or state licensed public accountants.

(c) "Independent auditors" means public accountants who have no direct or indirect relationship with the functions or activities being audited or with the business conducted by any of the officials or contractors being audited.

(d) "Generally accepted auditing standards" means the auditing standards set forth in the financial and compliance element of the "Government Auditing Standards" issued by the Comptroller General of the United States and incorporating the audit standards of the American Institute of Certified Public Accountants.

(e) "Nonprofit organization" means an organization described in Section 501(c)(3) of the Internal Revenue Code of 1954 which is exempt from taxation under Section 501(a) of that code, or any nonprofit, scientific, or educational organization qualified under Section 23701d of the Revenue and Taxation Code.

(f) (1) Annually, there shall be a single independent financial and compliance audit of organizations that contract with the department to provide preschool services or other support services under the jurisdiction of the department pursuant to this chapter. Any such audit shall include an evaluation of the accounting and control systems of the contractor and of the activities by the contractor to comply with the financial and compliance requirements of contracts received by the contractor from the state agency. The financial and compliance requirements to be reviewed during the audit shall be those developed and published by the department. Audits carried out pursuant to this section shall be audits of the contractor rather than audits of individual contracts or programs. In the case of any contractor that receives less than twenty-five thousand dollars (\$25,000) per year from any state agency, the audit required by this section shall be conducted biennially, unless there is evidence of fraud or other violation of state law in connection with the contract. The cost of the audit may be included in contracts.

(2) The organization receiving funds from the state shall be responsible for obtaining the required financial and compliance audits of the organization and any subcontractors, except for subcontracts exempt from the department's review, as agreed to by the Departments of Finance and General Services. The audits shall be made by independent auditors in accordance with generally accepted auditing standards. The audit shall be completed by the 15th day of the fifth month following the end of the contractor's fiscal year. A copy of the required audit shall be filed with the department upon its completion. In the event an audit is not filed, the department shall notify the organization of the contract violation. The audit report filed shall be an integral part of the contract file.

(g) (1) Nothing in this article limits the authority of the department to make audits of contracts. However, if independent audits arranged for by contractors meet generally accepted auditing standards, the department shall rely on those audits and any additional audit work shall build upon the work already done.

(2) Nothing in this article precludes the state from conducting, or contracting for the conduct of, contract performance audits which are not financial and compliance audits.

(3) Nothing in this article limits the state's responsibility or authority to enforce state law or regulations, procedures, or reporting requirements arising pursuant thereto.

(4) Nothing in this article limits the responsibility of the department to provide an independent appeal procedure according to the provisions of the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2) of the Government Code.

SEC. 230. Section 8450 of the Education Code is amended and renumbered to read:

8336. (a) All contractors are encouraged to develop and maintain a reserve within the child development fund, derived from earned but unexpended funds. Contractors may retain all earned funds, up to the reserve account maximum. For purposes of this section, "earned funds" are those for which the required number of eligible service units have been provided.

(b) (1) Earned funds shall not be expended for activities proscribed by Section 8315. Earned but unexpended funds shall remain in the contractor's reserve account within the child development fund and shall be expended only by programs that are funded under contract with the department.

(2) A California state preschool program contracting agency may retain a reserve fund balance equal to 15 percent of the sum of the maximum reimbursable amounts of all California state preschool program contracts, or two thousand dollars (\$2,000), whichever is greater.

(c) Each contractor's audit shall identify any funds earned by the contractor for each contract through the provision of contracted services in excess of funds expended.

(d) Any interest earned on reserve funds shall be included in the fund balance of the reserve. This reserve fund shall be maintained in an interest-bearing account.

(e) Moneys in a contractor's reserve fund may be used only for expenses that are reasonable and necessary costs as defined in Section 8205.

(f) Any reserve fund balance in excess of the amount authorized pursuant to subdivision (b) shall be returned to the department pursuant to procedures established by the department.

(g) Upon termination of all child development contracts between a contractor and the department, all moneys in a contractor's reserve fund shall be returned to the department pursuant to procedures established by the department.

(h) Expenditures from, additions to, and balances in, the reserve fund shall be included in the contracting agency's annual financial statements and audit.

SEC. 231. The heading of Article 23.5 (commencing with Section 8492) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 232. Section 8492 of the Education Code is amended and renumbered to read:

8337. (a) The Legislature finds and declares all of the following:

(1) Early childhood inclusion embodies the values, policies, and practices that support the right of every infant and young child and their family, regardless of ability, to participate in a broad range of activities and contexts as full members of families, communities, and society. The desired results of inclusive experiences for children with and without disabilities and their families include a sense of belonging and membership, positive social relationships and friendships, and development and learning to reach their full potential. The defining features of inclusion that can be used to identify high-quality early childhood programs and services are access, participation, and supports.

(2) In accordance with the Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.), all young children with exceptional needs should have access to inclusive high-quality early care and education programs where they are able to learn alongside children who do not have exceptional needs and are provided with individualized and appropriate supports to enable them to meet high expectations.

(3) Inclusive early care and education programs can improve a child's developmental progress and educational outcomes, especially for children with exceptional needs.

(4) Interventions provided to children with exceptional needs, including children who are at risk of requiring services for pupils with exceptional needs, can be more effective when a child is younger.

(5) Access to inclusive early care and education programs benefits communities and families, especially when programs are coordinated with public elementary and secondary education systems to create a developmental and educational continuum of support.

(b) The Inclusive Early Education Expansion Program is hereby established for the purpose of increasing access to inclusive early care and education programs.

(c) The sum of one hundred sixty-seven million two hundred forty-two thousand dollars (\$167,242,000) is hereby appropriated from the General Fund to the Superintendent for allocation to local educational agencies for the Inclusive Early Education Expansion Program pursuant to this section. These funds shall be available for encumbrance until June 30, 2023.

(d) The department's divisions for special education and early childhood programs shall work collaboratively to administer the program, including developing criteria for the selection of grantees.

(e) At a minimum, an applicant shall be a local educational agency and shall include all of the following information in its grant application:

(1) A proposal to increase access to subsidized inclusive early care and education programs for children up to five years of age, including those defined as “children with exceptional needs” pursuant to Section 8205, in low-income and high-need communities. “High-need” shall be defined pursuant to the county childcare needs assessment specified in Section 10486 of the Welfare and Institutions Code. The proposal shall quantify the number of additional subsidized children proposed to be served, including children with exceptional needs.

(2) A plan to fiscally sustain subsidized spaces or programs created by grant funds beyond the grant period. Subsidies may be funded with private, local, state, or federal funds, but shall be able to demonstrate a reasonable expectation of sustainability.

(3) The identification of local resources to contribute 33 percent of the total award amount. The total award amount shall include state and local resources. Local resources may include in-kind contributions.

(4) The identification of resources necessary to support lead agency professional development to allow staff to develop the knowledge and skills required to implement effective inclusive practices and fiscal sustainability.

(5) A description of the special education expertise that will be used to ensure the funds are used in a high-quality, inclusive manner.

(f) This section does not prohibit a local educational agency from applying on behalf of a consortium of providers within the local educational agency’s program area, including public and private agencies that will provide inclusive early care and education programs on behalf of the applicant.

(g) Grants shall be awarded on a competitive basis. Priority shall be given to all of the following:

(1) Applicants with a demonstrated need for expanded access to inclusive early care and education.

(2) Applicants in low-income communities and applicants that represent a consortium of local partners, including local special education partners and those with expertise in inclusive early learning and care environments.

(3) Applicants who demonstrate the ability to serve a broad range of disabilities.

(4) Applicants who do or plan to serve children with disabilities in proportion to their rate of identification similar to local educational agencies in their region.

(h) Grants may be used for one-time infrastructure costs only, including, but not limited to, adaptive and universal design facility renovations, adaptive equipment, and professional development. Funds shall not be used for ongoing expenditures.

(i) A grant recipient shall commit to provide program data and participate in overall program evaluation to ensure expanded access to inclusive environments, as specified by the department, as a condition of the receipt of grant funding.

(j) The department may reserve up to 1 percent of the program funds to support an evaluation to address improved access, participation, and supports to inclusive early learning and care programs and program and child outcomes.

(k) Commencing in the 2018–19 fiscal year, the department shall convene a stakeholder workgroup that includes, but is not limited to, representatives from the relevant divisions in the department, the State Department of Developmental Services, the State Interagency Coordinating Council on Early Intervention, local educational agencies, appropriate county agencies, regional centers, and resource and referral agencies. The workgroup shall be maintained through June 30, 2023, with the goal of providing continuous improvement in the inclusion of children with exceptional needs in early care and education settings. The department shall include representatives of local educational agencies participating in the Inclusive Early Education Expansion Program established in this section and county offices of education participating in the Inclusive Early Care Pilot Program, established pursuant to Section 136 of the act adding this section, in this workgroup, when appropriate, to share challenges, barriers, and best practices.

(l) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the amount appropriated in subdivision (c) shall be deemed to be “General Fund revenues appropriated for school districts,” as defined in subdivision (c) of Section 41202, for the 2017–18 fiscal year, and included within the “total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B,” as defined in subdivision (e) of Section 41202, for the 2017–18 fiscal year.

SEC. 233. Article 24 (commencing with Section 8493) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 234. Chapter 2.3 (commencing with Section 8499) of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 235. The heading of Chapter 2.5 (commencing with Section 8499.10) of Part 6 of Division 1 of Title 1 of the Education Code is repealed.

SEC. 236. Section 8499.10 of the Education Code is amended and renumbered to read:

8340. The Legislature finds and declares all of the following:

(a) The Congress has recognized the importance of the transfer from preschool to primary school. Section 642A of Title VI of Subtitle A of Chapter 8 of Subchapter B of the federal Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35) was enacted to require grantees of federal Head Start funds to take steps to coordinate with and involve the local educational agency serving the community, including, but not limited to, all of the following:

(1) Developing and implementing a systematic procedure for transferring, with parental consent, Head Start program records for each participating child to the school in which the child will enroll.

(2) Establishing channels of communication between Head Start staff and their counterparts in the schools, including, but not limited to, teachers, social workers, and health staff, to facilitate the coordination of programs.

(3) Conducting meetings involving parents, kindergarten or elementary school teachers, and Head Start program teachers to discuss the educational, developmental, and other needs of individual children.

(4) Organizing and participating in joint transition-related training of school staff and Head Start staff.

(5) Developing and implementing a family outreach and support program in cooperation with entities carrying out parental involvement efforts under Title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. Sec. 6301 et seq.).

(6) Assisting families, administrators, and teachers in enhancing educational and developmental continuity between Head Start services and elementary school classes.

(7) Linking the services provided in the Head Start program with the education services provided by the local educational agency.

(b) The superintendent shall advise local education agencies of these federal requirements.

SEC. 237. Section 6253.21 of the Government Code is amended to read:

6253.21. (a) Notwithstanding any other provision of this chapter to the contrary, information regarding family childcare providers, as defined in subdivision (b) of Section 10421 of the Welfare and Institutions Code, shall not be subject to public disclosure pursuant to this chapter, except as provided in subdivisions (b) and (c).

(b) Consistent with Section 10422 of the Welfare and Institutions Code, copies of names, home and mailing addresses, county, home, if known, work, and cellular telephone numbers, and email addresses of persons described in subdivision (a) shall be made available, upon request, to provider organizations that have been determined to be a provider organization pursuant to subdivision (a) of Section 10422 of the Welfare and Institutions Code. Information shall be made available consistent with the deadlines set in Section 10422 of the Welfare and Institutions Code. This information shall not be used by the receiving entity for any purpose other than for purposes of organizing, representing, and assisting family childcare providers.

(c) Consistent with Section 10422 of the Welfare and Institutions Code, copies of names, home and mailing addresses, county, home, if known, work, and cellular telephone numbers, and email addresses of persons described in subdivision (a) shall be made available to a certified provider organization, as defined in subdivision (a) of Section 10421 of the Welfare and Institutions Code. Information shall be made available consistent with the deadlines set in Section 10422 of the Welfare and Institutions Code. This information shall not be used by the receiving entity for any purpose other than for purposes of organizing, representing, and assisting family childcare providers.

(d) This section does not prohibit or limit the disclosure of information otherwise required to be disclosed by the California Child Day Care Facilities Act (Chapter 3.4 (commencing with Section 1596.70) of, Chapter 3.5 (commencing with Section 1596.90) of, and Chapter 3.6 (commencing with Section 1597.30) of, Division 2 of the Health and Safety Code), or to an officer or employee of another state public agency for performance of their official duties under state law.

(e) All confidentiality requirements applicable to recipients of information pursuant to Section 1596.86 of the Health and Safety Code shall apply to protect the personal information of providers of small family childcare homes, as defined in Section 1596.78 of the Health and Safety Code, that is disclosed pursuant to subdivisions (b) and (c).

(f) A family childcare provider, as defined by subdivision (b) of Section 10421 of the Welfare and Institutions Code, may opt out of disclosure of their home and mailing address, home, work, and cellular telephone numbers, and email address from the lists described in subdivisions (c) and (d) of Section 10422 of the Welfare and Institutions Code by complying with the procedure set forth in subdivision (k) of Section 10422 of the Welfare and Institutions Code.

SEC. 238. Section 6254 of the Government Code is amended to read:

6254. Except as provided in Sections 6254.7 and 6254.13, this chapter does not require the disclosure of any of the following records:

(a) Preliminary drafts, notes, or interagency or intra-agency memoranda that are not retained by the public agency in the ordinary course of business, if the public interest in withholding those records clearly outweighs the public interest in disclosure.

(b) Records pertaining to pending litigation to which the public agency is a party, or to claims made pursuant to Division 3.6 (commencing with Section 810), until the pending litigation or claim has been finally adjudicated or otherwise settled.

(c) Personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy.

(d) Records contained in or related to any of the following:

(1) Applications filed with any state agency responsible for the regulation or supervision of the issuance of securities or of financial institutions, including, but not limited to, banks, savings and loan associations, industrial loan companies, credit unions, and insurance companies.

(2) Examination, operating, or condition reports prepared by, on behalf of, or for the use of, any state agency referred to in paragraph (1).

(3) Preliminary drafts, notes, or interagency or intra-agency communications prepared by, on behalf of, or for the use of, any state agency referred to in paragraph (1).

(4) Information received in confidence by any state agency referred to in paragraph (1).

(e) Geological and geophysical data, plant production data, and similar information relating to utility systems development, or market or crop reports, that are obtained in confidence from any person.

(f) Records of complaints to, or investigations conducted by, or records of intelligence information or security procedures of, the office of the Attorney General and the Department of Justice, the Office of Emergency Services and any state or local police agency, or any investigatory or security files compiled by any other state or local police agency, or any investigatory or security files compiled by any other state or local agency for correctional, law enforcement, or licensing purposes. However, state and local law enforcement agencies shall disclose the names and addresses of persons involved in, or witnesses other than confidential informants to, the incident, the description of any property involved, the date, time, and location of the incident, all diagrams, statements of the parties involved in the incident, the statements of all witnesses, other than confidential informants, to the victims of an incident, or an authorized representative thereof, an insurance carrier against which a claim has been or might be made, and any person suffering bodily injury or property damage or loss, as the result of the incident caused by arson, burglary, fire, explosion, larceny, robbery, carjacking, vandalism, vehicle theft, or a crime as defined by subdivision (b) of Section 13951, unless the disclosure would endanger the safety of a witness or other person involved in the investigation, or unless disclosure would endanger the successful completion of the investigation or a related investigation. However, this subdivision does not require the disclosure of that portion of those investigative files that reflects the analysis or conclusions of the investigating officer.

Customer lists provided to a state or local police agency by an alarm or security company at the request of the agency shall be construed to be records subject to this subdivision.

Notwithstanding any other provision of this subdivision, state and local law enforcement agencies shall make public the following information, except to the extent that disclosure of a particular item of information would endanger the safety of a person involved in an investigation or would endanger the successful completion of the investigation or a related investigation:

(1) The full name and occupation of every individual arrested by the agency, the individual's physical description including date of birth, color of eyes and hair, sex, height and weight, the time and date of arrest, the time and date of booking, the location of the arrest, the factual circumstances surrounding the arrest, the amount of bail set, the time and manner of release or the location where the individual is currently being held, and all charges the individual is being held upon, including any outstanding warrants from other jurisdictions and parole or probation holds.

(2) (A) Subject to the restrictions imposed by Section 841.5 of the Penal Code, the time, substance, and location of all complaints or requests for assistance received by the agency and the time and nature of the response thereto, including, to the

extent the information regarding crimes alleged or committed or any other incident investigated is recorded, the time, date, and location of occurrence, the time and date of the report, the name and age of the victim, the factual circumstances surrounding the crime or incident, and a general description of any injuries, property, or weapons involved. The name of a victim of any crime defined by Section 220, 261, 261.5, 262, 264, 264.1, 265, 266, 266a, 266b, 266c, 266e, 266f, 266j, 267, 269, 273a, 273d, 273.5, 285, 286, 288, 288a, 288.2, 288.3, 288.4, 288.5, 288.7, 289, 422.6, 422.7, 422.75, 646.9, or 647.6 of the Penal Code may be withheld at the victim's request, or at the request of the victim's parent or guardian if the victim is a minor. When a person is the victim of more than one crime, information disclosing that the person is a victim of a crime defined in any of the sections of the Penal Code set forth in this subdivision may be deleted at the request of the victim, or the victim's parent or guardian if the victim is a minor, in making the report of the crime, or of any crime or incident accompanying the crime, available to the public in compliance with the requirements of this paragraph.

(B) Subject to the restrictions imposed by Section 841.5 of the Penal Code, the names and images of a victim of human trafficking, as defined in Section 236.1 of the Penal Code, and of that victim's immediate family, other than a family member who is charged with a criminal offense arising from the same incident, may be withheld at the victim's request until the investigation or any subsequent prosecution is complete. For purposes of this subdivision, "immediate family" shall have the same meaning as that provided in paragraph (3) of subdivision (b) of Section 422.4 of the Penal Code.

(3) Subject to the restrictions of Section 841.5 of the Penal Code and this subdivision, the current address of every individual arrested by the agency and the current address of the victim of a crime, if the requester declares under penalty of perjury that the request is made for a scholarly, journalistic, political, or governmental purpose, or that the request is made for investigation purposes by a licensed private investigator as described in Chapter 11.3 (commencing with Section 7512) of Division 3 of the Business and Professions Code. However, the address of the victim of any crime defined by Section 220, 236.1, 261, 261.5, 262, 264, 264.1, 265, 266, 266a, 266b, 266c, 266e, 266f, 266j, 267, 269, 273a, 273d, 273.5, 285, 286, 288, 288a, 288.2, 288.3, 288.4, 288.5, 288.7, 289, 422.6, 422.7, 422.75, 646.9, or 647.6 of the Penal Code shall remain confidential. Address information obtained pursuant to this paragraph shall not be used directly or indirectly, or furnished to another, to sell a product or service to any individual or group of individuals, and the requester shall execute a declaration to that effect under penalty of perjury. This paragraph shall not be construed to prohibit or limit a scholarly, journalistic, political, or government use of address information obtained pursuant to this paragraph.

(4) Notwithstanding any other provision of this subdivision, commencing July 1, 2019, a video or audio recording that relates to a critical incident, as defined in subparagraph (C), may be withheld only as follows:

(A) (i) During an active criminal or administrative investigation, disclosure of a recording related to a critical incident may be delayed for no longer than 45 calendar days after the date the agency knew or reasonably should have known about the incident, if, based on the facts and circumstances depicted in the recording, disclosure would substantially interfere with the investigation, such as by endangering the safety of a witness or a confidential source. If an agency delays disclosure pursuant to this paragraph, the agency shall provide in writing to the requester the specific basis for the agency's determination that disclosure would substantially interfere with the investigation and the estimated date for disclosure.

(ii) After 45 days from the date the agency knew or reasonably should have known about the incident, and up to one year from that date, the agency may continue to delay disclosure of a recording if the agency demonstrates that disclosure would substantially interfere with the investigation. After one year from the date the agency knew or reasonably should have known about the incident, the agency may continue to delay disclosure of a recording only if the agency demonstrates by clear and convincing evidence that disclosure would substantially interfere with the investigation. If an agency delays disclosure pursuant to this clause, the agency shall promptly provide in writing to the requester the specific basis for the agency's determination that the interest in preventing interference with an active investigation outweighs the public interest in disclosure and provide the estimated date for the disclosure. The agency shall reassess withholding and notify the requester every 30 days. A recording withheld by the agency shall be disclosed promptly when the specific basis for withholding is resolved.

(B) (i) If the agency demonstrates, on the facts of the particular case, that the public interest in withholding a video or audio recording clearly outweighs the public interest in disclosure because the release of the recording would, based on the facts and circumstances depicted in the recording, violate the reasonable expectation of privacy of a subject depicted in the recording, the agency shall provide in writing to the requester the specific basis for the expectation of privacy and the public interest served by withholding the recording and may use redaction technology, including blurring or distorting images or audio, to obscure those specific portions of the recording that protect that interest. However, the redaction shall not interfere with the viewer's ability to fully, completely, and accurately comprehend the events captured in the recording and the recording shall not otherwise be edited or altered.

(ii) Except as provided in clause (iii), if the agency demonstrates that the reasonable expectation of privacy of a subject depicted in the recording cannot adequately be protected through redaction as described in clause (i) and that interest

outweighs the public interest in disclosure, the agency may withhold the recording from the public, except that the recording, either redacted as provided in clause (i) or unredacted, shall be disclosed promptly, upon request, to any of the following:

(I) The subject of the recording whose privacy is to be protected, or their authorized representative.

(II) If the subject is a minor, the parent or legal guardian of the subject whose privacy is to be protected.

(III) If the subject whose privacy is to be protected is deceased, an heir, beneficiary, designated immediate family member, or authorized legal representative of the deceased subject whose privacy is to be protected.

(iii) If disclosure pursuant to clause (ii) would substantially interfere with an active criminal or administrative investigation, the agency shall provide in writing to the requester the specific basis for the agency's determination that disclosure would substantially interfere with the investigation, and provide the estimated date for the disclosure of the video or audio recording. Thereafter, the recording may be withheld by the agency for 45 calendar days, subject to extensions as set forth in clause (ii) of subparagraph (A).

(C) For purposes of this paragraph, a video or audio recording relates to a critical incident if it depicts any of the following incidents:

(i) An incident involving the discharge of a firearm at a person by a peace officer or custodial officer.

(ii) An incident in which the use of force by a peace officer or custodial officer against a person resulted in death or in great bodily injury.

(D) An agency may provide greater public access to video or audio recordings than the minimum standards set forth in this paragraph.

(E) This paragraph does not alter, limit, or negate any other rights, remedies, or obligations with respect to public records regarding an incident other than a critical incident as described in subparagraph (C).

(F) For purposes of this paragraph, a peace officer does not include any peace officer employed by the Department of Corrections and Rehabilitation.

(g) Test questions, scoring keys, and other examination data used to administer a licensing examination, examination for employment, or academic examination, except as provided for in Chapter 3 (commencing with Section 99150) of Part 65 of Division 14 of Title 3 of the Education Code.

(h) The contents of real estate appraisals or engineering or feasibility estimates and evaluations made for or by the state or local agency relative to the acquisition of property, or to prospective public supply and construction contracts, until all of the property has been acquired or all of the contract agreement obtained. However, the law of eminent domain shall not be affected by this provision.

(i) Information required from any taxpayer in connection with the collection of local taxes that is received in confidence and the disclosure of the information to other persons would result in unfair competitive disadvantage to the person supplying the information.

(j) Library circulation records kept for the purpose of identifying the borrower of items available in libraries, and library and museum materials made or acquired and presented solely for reference or exhibition purposes. The exemption in this subdivision shall not apply to records of fines imposed on the borrowers.

(k) Records, the disclosure of which is exempted or prohibited pursuant to federal or state law, including, but not limited to, provisions of the Evidence Code relating to privilege.

(l) Correspondence of and to the Governor or employees of the Governor's office or in the custody of or maintained by the Governor's Legal Affairs Secretary. However, public records shall not be transferred to the custody of the Governor's Legal Affairs Secretary to evade the disclosure provisions of this chapter.

(m) In the custody of or maintained by the Legislative Counsel, except those records in the public database maintained by the Legislative Counsel that are described in Section 10248.

(n) Statements of personal worth or personal financial data required by a licensing agency and filed by an applicant with the licensing agency to establish their personal qualification for the license, certificate, or permit applied for.

(o) Financial data contained in applications for financing under Division 27 (commencing with Section 44500) of the Health and Safety Code, if an authorized officer of the California Pollution Control Financing Authority determines that disclosure of the financial data would be competitively injurious to the applicant and the data is required in order to obtain guarantees from the United States Small Business Administration. The California Pollution Control Financing Authority shall adopt rules for review of individual requests for confidentiality under this section and for making available to the public those portions of an application that are subject to disclosure under this chapter.

(p) (1) Records of state agencies related to activities governed by Chapter 10.3 (commencing with Section 3512), Chapter 10.5 (commencing with Section 3525), and Chapter 12 (commencing with Section 3560) of Division 4, and Chapter 25 (commencing with Section 10420) of Part 1.8 of Division 9 of the Welfare and Institutions Code, that reveal a state agency's deliberative processes, impressions, evaluations, opinions, recommendations, meeting minutes, research, work products, theories, or strategy, or that provide instruction, advice, or training to employees who do not have full collective bargaining and representation rights under these chapters. This paragraph shall not be construed to limit the disclosure duties of a state agency with respect to any other records relating to the activities governed by the employee relations acts referred to in this paragraph.

(2) Records of local agencies related to activities governed by Chapter 10 (commencing with Section 3500) of Division 4, that reveal a local agency's deliberative processes, impressions, evaluations, opinions, recommendations, meeting minutes, research, work products, theories, or strategy, or that provide instruction, advice, or training to employees who do not have full collective bargaining and representation rights under that chapter. This paragraph shall not be construed to limit the disclosure duties of a local agency with respect to any other records relating to the activities governed by the employee relations act referred to in this paragraph.

(q) (1) Records of state agencies related to activities governed by Article 2.6 (commencing with Section 14081), Article 2.8 (commencing with Section 14087.5), and Article 2.91 (commencing with Section 14089) of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, that reveal the special negotiator's deliberative processes, discussions, communications, or any other portion of the negotiations with providers of health care services, impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy, or that provide instruction, advice, or training to employees.

(2) Except for the portion of a contract containing the rates of payment, contracts for inpatient services entered into pursuant to these articles, on or after April 1, 1984, shall be open to inspection one year after they are fully executed. If a contract for inpatient services that is entered into prior to April 1, 1984, is amended on or after April 1, 1984, the amendment, except for any portion containing the rates of payment, shall be open to inspection one year after it is fully executed. If the California Medical Assistance Commission enters into contracts with health care providers for other than inpatient hospital services, those contracts shall be open to inspection one year after they are fully executed.

(3) Three years after a contract or amendment is open to inspection under this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

(4) Notwithstanding any other law, the entire contract or amendment shall be open to inspection by the Joint Legislative Audit Committee and the Legislative Analyst's Office. The committee and that office shall maintain the confidentiality of the contracts and amendments until the time a contract or amendment is fully open to inspection by the public.

(r) Records of Native American graves, cemeteries, and sacred places and records of Native American places, features, and objects described in Sections 5097.9 and 5097.993 of the Public Resources Code maintained by, or in the possession of, the Native American Heritage Commission, another state agency, or a local agency.

(s) A final accreditation report of the Joint Commission on Accreditation of Hospitals that has been transmitted to the State Department of Health Care Services pursuant to subdivision (b) of Section 1282 of the Health and Safety Code.

(t) Records of a local hospital district, formed pursuant to Division 23 (commencing with Section 32000) of the Health and Safety Code, or the records of a municipal hospital, formed pursuant to Article 7 (commencing with Section 37600) or Article 8 (commencing with Section 37650) of Chapter 5 of Part 2 of Division 3 of Title 4 of this code, that relate to any contract with an insurer or nonprofit hospital service plan for inpatient or outpatient services for alternative rates pursuant to Section 10133 of the Insurance Code. However, the record shall be open to inspection within one year after the contract is fully executed.

(u) (1) Information contained in applications for licenses to carry firearms issued pursuant to Section 26150, 26155, 26170, or 26215 of the Penal Code by the sheriff of a county or the chief or other head of a municipal police department that indicates when or where the applicant is vulnerable to attack or that concerns the applicant's medical or psychological history or that of members of their family.

(2) The home address and telephone number of prosecutors, public defenders, peace officers, judges, court commissioners, and magistrates that are set forth in applications for licenses to carry firearms issued pursuant to Section 26150, 26155, 26170, or 26215 of the Penal Code by the sheriff of a county or the chief or other head of a municipal police department.

(3) The home address and telephone number of prosecutors, public defenders, peace officers, judges, court commissioners, and magistrates that are set forth in licenses to carry firearms issued pursuant to Section 26150, 26155, 26170, or 26215 of the Penal Code by the sheriff of a county or the chief or other head of a municipal police department.

(v) (1) Records of the Managed Risk Medical Insurance Board and the State Department of Health Care Services related to activities governed by former Part 6.3 (commencing with Section 12695), former Part 6.5 (commencing with Section 12700), Part 6.6 (commencing with Section 12739.5), or Part 6.7 (commencing with Section 12739.70) of Division 2 of the Insurance Code, or Chapter 2 (commencing with Section 15810) or Chapter 4 (commencing with Section 15870) of Part 3.3 of Division 9 of the Welfare and Institutions Code, and that reveal any of the following:

(A) The deliberative processes, discussions, communications, or any other portion of the negotiations with entities contracting or seeking to contract with the board or the department, entities with which the board or the department is considering a contract, or entities with which the board or department is considering or enters into any other arrangement under which the board or the department provides, receives, or arranges services or reimbursement.

(B) The impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff or the department or its staff, or records that provide instructions, advice, or training to their employees.

(2) (A) Except for the portion of a contract that contains the rates of payment, contracts entered into pursuant to former Part 6.3 (commencing with Section 12695), former Part 6.5 (commencing with Section 12700), Part 6.6 (commencing with Section 12739.5), or Part 6.7 (commencing with Section 12739.70) of Division 2 of the Insurance Code, or Chapter 2 (commencing with Section 15810) or Chapter 4 (commencing with Section 15870) of Part 3.3 of Division 9 of the Welfare and Institutions Code, on or after July 1, 1991, shall be open to inspection one year after their effective dates.

(B) If a contract that is entered into prior to July 1, 1991, is amended on or after July 1, 1991, the amendment, except for any portion containing the rates of payment, shall be open to inspection one year after the effective date of the amendment.

(3) Three years after a contract or amendment is open to inspection pursuant to this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

(4) Notwithstanding any other law, the entire contract or amendments to a contract shall be open to inspection by the Joint Legislative Audit Committee. The committee shall maintain the confidentiality of the contracts and amendments thereto, until the contracts or amendments to the contracts are open to inspection pursuant to paragraph (3).

(w) (1) Records of the Managed Risk Medical Insurance Board related to activities governed by Chapter 8 (commencing with Section 10700) of Part 2 of Division 2 of the Insurance Code, and that reveal the deliberative processes, discussions, communications, or any other portion of the negotiations with health plans, or the impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff, or records that provide instructions, advice, or training to employees.

(2) Except for the portion of a contract that contains the rates of payment, contracts for health coverage entered into pursuant to Chapter 8 (commencing with Section 10700) of Part 2 of Division 2 of the Insurance Code, on or after January 1, 1993, shall be open to inspection one year after they have been fully executed.

(3) Notwithstanding any other law, the entire contract or amendments to a contract shall be open to inspection by the Joint Legislative Audit Committee. The committee shall maintain the confidentiality of the contracts and amendments thereto, until the contracts or amendments to the contracts are open to inspection pursuant to paragraph (2).

(x) Financial data contained in applications for registration, or registration renewal, as a service contractor filed with the Director of Consumer Affairs pursuant to Chapter 20 (commencing with Section 9800) of Division 3 of the Business and Professions Code, for the purpose of establishing the service contractor's net worth, or financial data regarding the funded accounts held in escrow for service contracts held in force in this state by a service contractor.

(y) (1) Records of the Managed Risk Medical Insurance Board and the State Department of Health Care Services related to activities governed by Part 6.2 (commencing with Section 12693) or former Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code or Sections 14005.26 and 14005.27 of, or Chapter 3 (commencing with Section 15850) of Part 3.3 of Division 9 of, the Welfare and Institutions Code, if the records reveal any of the following:

(A) The deliberative processes, discussions, communications, or any other portion of the negotiations with entities contracting or seeking to contract with the board or the department, entities with which the board or department is considering a contract, or entities with which the board or department is considering or enters into any other arrangement under which the board or department provides, receives, or arranges services or reimbursement.

(B) The impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff, or the department or its staff, or records that provide instructions, advice, or training to employees.

(2) (A) Except for the portion of a contract that contains the rates of payment, contracts entered into pursuant to Part 6.2 (commencing with Section 12693) or former Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code, on or after January 1, 1998, or Sections 14005.26 and 14005.27 of, or Chapter 3 (commencing with Section 15850) of Part 3.3 of Division 9 of, the Welfare and Institutions Code shall be open to inspection one year after their effective dates.

(B) If a contract entered into pursuant to Part 6.2 (commencing with Section 12693) or former Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code or Sections 14005.26 and 14005.27 of, or Chapter 3 (commencing with Section 15850) of Part 3.3 of Division 9 of, the Welfare and Institutions Code, is amended, the amendment shall be open to inspection one year after the effective date of the amendment.

(3) Three years after a contract or amendment is open to inspection pursuant to this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

(4) Notwithstanding any other law, the entire contract or amendments to a contract shall be open to inspection by the Joint Legislative Audit Committee. The committee shall maintain the confidentiality of the contracts and amendments thereto until the contract or amendments to a contract are open to inspection pursuant to paragraph (2) or (3).

(5) The exemption from disclosure provided pursuant to this subdivision for the contracts, deliberative processes, discussions, communications, negotiations, impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff, or the department or its staff, shall also apply to the contracts, deliberative processes, discussions, communications, negotiations, impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of applicants pursuant to former Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code or Chapter 3 (commencing with Section 15850) of Part 3.3 of Division 9 of the Welfare and Institutions Code.

(z) Records obtained pursuant to paragraph (2) of subdivision (f) of Section 2891.1 of the Public Utilities Code.

(aa) A document prepared by or for a state or local agency that assesses its vulnerability to terrorist attack or other criminal acts intended to disrupt the public agency's operations and that is for distribution or consideration in a closed session.

(ab) Critical infrastructure information, as defined in Section 131(3) of Title 6 of the United States Code, that is voluntarily submitted to the Office of Emergency Services for use by that office, including the identity of the person who or entity that voluntarily submitted the information. As used in this subdivision, "voluntarily submitted" means submitted in the absence of the office exercising any legal authority to compel access to or submission of critical infrastructure information. This subdivision shall not affect the status of information in the possession of any other state or local governmental agency.

(ac) All information provided to the Secretary of State by a person for the purpose of registration in the Advance Health Care Directive Registry, except that those records shall be released at the request of a health care provider, a public guardian, or the registrant's legal representative.

(ad) The following records of the State Compensation Insurance Fund:

(1) Records related to claims pursuant to Chapter 1 (commencing with Section 3200) of Division 4 of the Labor Code, to the extent that confidential medical information or other individually identifiable information would be disclosed.

(2) Records related to the discussions, communications, or any other portion of the negotiations with entities contracting or seeking to contract with the fund, and any related deliberations.

(3) Records related to the impressions, opinions, recommendations, meeting minutes of meetings or sessions that are lawfully closed to the public, research, work product, theories, or strategy of the fund or its staff, on the development of rates, contracting strategy, underwriting, or competitive strategy pursuant to the powers granted to the fund in Chapter 4 (commencing with Section 11770) of Part 3 of Division 2 of the Insurance Code.

(4) Records obtained to provide workers' compensation insurance under Chapter 4 (commencing with Section 11770) of Part 3 of Division 2 of the Insurance Code, including, but not limited to, any medical claims information, policyholder information provided that nothing in this paragraph shall be interpreted to prevent an insurance agent or broker from obtaining proprietary information or other information authorized by law to be obtained by the agent or broker, and information on rates, pricing, and claims handling received from brokers.

(5) (A) Records that are trade secrets pursuant to Section 6276.44, or Article 11 (commencing with Section 1060) of Chapter 4 of Division 8 of the Evidence Code, including, without limitation, instructions, advice, or training provided by the State

Compensation Insurance Fund to its board members, officers, and employees regarding the fund's special investigation unit, internal audit unit, and informational security, marketing, rating, pricing, underwriting, claims handling, audits, and collections.

(B) Notwithstanding subparagraph (A), the portions of records containing trade secrets shall be available for review by the Joint Legislative Audit Committee, California State Auditor's Office, Division of Workers' Compensation, and the Department of Insurance to ensure compliance with applicable law.

(6) (A) Internal audits containing proprietary information and the following records that are related to an internal audit:

(i) Personal papers and correspondence of any person providing assistance to the fund when that person has requested in writing that their papers and correspondence be kept private and confidential. Those papers and correspondence shall become public records if the written request is withdrawn, or upon order of the fund.

(ii) Papers, correspondence, memoranda, or any substantive information pertaining to any audit not completed or an internal audit that contains proprietary information.

(B) Notwithstanding subparagraph (A), the portions of records containing proprietary information, or any information specified in subparagraph (A) shall be available for review by the Joint Legislative Audit Committee, California State Auditor's Office, Division of Workers' Compensation, and the Department of Insurance to ensure compliance with applicable law.

(7) (A) Except as provided in subparagraph (C), contracts entered into pursuant to Chapter 4 (commencing with Section 11770) of Part 3 of Division 2 of the Insurance Code shall be open to inspection one year after the contract has been fully executed.

(B) If a contract entered into pursuant to Chapter 4 (commencing with Section 11770) of Part 3 of Division 2 of the Insurance Code is amended, the amendment shall be open to inspection one year after the amendment has been fully executed.

(C) Three years after a contract or amendment is open to inspection pursuant to this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

(D) Notwithstanding any other law, the entire contract or amendments to a contract shall be open to inspection by the Joint Legislative Audit Committee. The committee shall maintain the confidentiality of the contracts and amendments thereto until the contract or amendments to a contract are open to inspection pursuant to this paragraph.

(E) This paragraph is not intended to apply to documents related to contracts with public entities that are not otherwise expressly confidential as to that public entity.

(F) For purposes of this paragraph, "fully executed" means the point in time when all of the necessary parties to the contract have signed the contract.

This section does not prevent any agency from opening its records concerning the administration of the agency to public inspection, unless disclosure is otherwise prohibited by law.

This section does not prevent any health facility from disclosing to a certified bargaining agent relevant financing information pursuant to Section 8 of the National Labor Relations Act (29 U.S.C. Sec. 158).

SEC. 239. Section 19815.4 of the Government Code is amended to read:

19815.4. The director shall do all of the following:

(a) Be responsible for the management of the department.

(b) Administer and enforce the laws pertaining to personnel.

(c) Observe and report to the Governor on the conditions of the nonmerit aspects of personnel.

(d) Formulate, adopt, amend, or repeal rules, regulations, and general policies affecting the purposes, responsibilities, and jurisdiction of the department and that are consistent with the law and necessary for personnel administration.

All regulations relating to personnel administration heretofore adopted pursuant to this part by the State Personnel Board, California Victim Compensation Board, the Department of General Services, and the Department of Finance, and in effect on the operative date of this part, shall remain in effect and shall be fully enforceable unless and until readopted, amended, or repealed by the director.

(e) Hold hearings, subpoena witnesses, administer oaths, and conduct investigations concerning all matters relating to the department's jurisdiction.

(f) Act on behalf of the department and delegate powers to any authorized representative.

(g) Serve as the Governor's designated representative pursuant to Section 3517.

(h) Perform any other duties that may be prescribed by law, and any other administrative and executive duties that have by other provisions of law been previously imposed.

(i) Serve as the Governor's designated representative pursuant to Section 10424.5 of the Welfare and Institutions Code.

SEC. 240. Section 1596.64 of the Health and Safety Code is amended to read:

1596.64. (a) The department shall enter into a contract with the California Child Care Resource and Referral Network to administer the trustline duties as described in this chapter.

(b) The California Child Care Resources and Referral Network may subcontract with local resource and referral programs for the implementation of the trustline program at the local level.

(c) Notwithstanding any other law:

(1) Contracts or grants awarded pursuant to this chapter shall be exempt from the personal services contracting requirements of Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code.

(2) Contracts or grants awarded pursuant to this chapter shall be exempt from the Public Contract Code and the State Contracting Manual, and shall not be subject to the approval of the Department of General Services.

SEC. 241. Section 1596.645 of the Health and Safety Code is amended to read:

1596.645. The California Child Care Resource and Referral Network, in consultation with representatives of private industry, parents, childcare resource and referral agencies, the department, trustline providers, employment agencies, and the pediatric health sector, shall review and make recommendations concerning the operation of the trustline. This review shall include a consideration of strategies for reducing the processing time for trustline application denials, and to the extent possible, an evaluation of, or proposed methodology for measuring, whether those childcare providers for whom trustline applications are denied are still providing care when denial letters are sent to them.

SEC. 242. Section 1596.655 of the Health and Safety Code is amended to read:

1596.655. A childcare resource and referral agency established pursuant to Chapter 2 (commencing with Section 10217) of Part 1.8 of Division 9 of the Welfare and Institutions Code shall have the following responsibilities in the administration of the trustline within its local geographic area of service:

(a) Implement the local elements of the promotion plan designed by the California Child Care Resource and Referral Network pursuant to Section 1596.643 and publicize the availability, purpose, and benefits of the trustline to parents, childcare providers, prospective childcare providers, and institutions and agencies that have frequent contact with parents and providers.

(b) Cooperate with the California Child Care Resource and Referral Network in promotional and data collection efforts.

(c) Report annually to the California Child Care Resource and Referral Network on local promotional efforts, problems encountered, and recommendations for program improvement.

(d) Ensure that the trustline is accessible to all persons in the state, regardless of their ability to speak English.

(e) Provide information and technical assistance on the trustline process to parents, childcare providers, and other interested parties.

SEC. 243. Section 1596.66 of the Health and Safety Code is amended to read:

1596.66. (a) Each license-exempt childcare provider, as defined pursuant to Section 1596.60, who is compensated, in whole or in part, with funds provided pursuant to the Alternative Payment Program, Chapter 3 (commencing with Section 10225) of Part 1.8 of Division 9 of the Welfare and Institutions Code or pursuant to the federal Child Care and Development Block Grant Program, except a provider who is, by marriage, blood, or court decree, the grandparent, aunt, or uncle of the child in care, shall be registered pursuant to Sections 1596.603 and 1596.605 in order to be eligible to receive this compensation. Registration under

this chapter shall be required for providers who receive funds under Section 9858 and following of Title 42 of the United States Code only to the extent permitted by that law and the regulations adopted pursuant thereto. Registration under this chapter shall be required for providers who receive funds under the federal Child Care and Development Block Grant Program only to the extent permitted by that program and the regulations adopted pursuant thereto.

(b) For the purposes of registration of the providers identified in subdivision (a), the following procedures shall apply:

(1) Notwithstanding subdivision (a) of Section 1596.603, the provider shall submit the fingerprints and Trustline application to the local childcare resource and referral agency established pursuant to Chapter 2 (commencing with Section 10217) of Part 1.8 of Division 9 of the Welfare and Institutions Code. The local childcare resource and referral agency shall transmit the fingerprints and completed Trustline applications to the department and address any local problems that occur in the registration system. If a fee is charged by the local childcare resource and referral agency that takes a provider's fingerprints, the provider shall be reimbursed for this charge by the department, through the local childcare resource and referral agency, from federal Child Care and Development Block Grant funds to the extent that those funds are available.

(2) The department shall adhere to the requirements of Sections 1596.603, 1596.605, 1596.606, and 1596.607 and shall notify the California Child Care Resource and Referral Network of any action it takes pursuant to Sections 1596.605, 1596.606, and 1596.607.

(3) The California Child Care Resource and Referral Network shall notify the applicable local childcare resource and referral agencies, alternative payment programs, and county welfare departments of the status of the Trustline applicants and registered Trustline childcare providers. The network shall maintain a toll-free telephone line to provide information to the local resource and referral agencies, the alternative payment programs, and the childcare recipients of the status of providers.

(c) This section shall become operative only if funds appropriated for the purposes of this article from Item 6110-196-890 of Section 2 of the Budget Act of 1991 are incorporated into and approved as part of the state plan that is required pursuant to Section 658(E)(a) of the federal Child Care Block Grant Act of 1990 (Sec. 5082, P.L. 101-508).

SEC. 244. Section 1596.67 of the Health and Safety Code is amended to read:

1596.67. (a) To the extent permitted by federal law, each childcare provider, as defined by Section 1596.60, who receives compensation, in whole or in part, under Stage 1 of the CalWORKs Child Care Program pursuant to Chapter 21 (commencing with Section 10370) of Part 1.8 of Division 9 of the Welfare and Institutions Code, for providing childcare for a recipient or former recipient, except a provider who is, by marriage, blood, or court decree, the grandparent, aunt, or uncle of the child in care, shall be registered pursuant to Sections 1596.603 and 1596.605 in order to be eligible to receive this compensation. Active Trustline registration is required for providers who receive compensation under Stage 1 of the CalWORKs Child Care Program pursuant to Chapter 21 (commencing with Section 10370) of Part 1.8 of Division 9 of the Welfare and Institutions Code, for providing childcare for a recipient or former recipient only to the extent permitted by that law and the regulations adopted pursuant thereto. This section applies only to a license-exempt childcare provider, as defined by Section 1596.60, who registers for payment under Stage 1 of the CalWORKs Child Care Program pursuant to Chapter 21 (commencing with Section 10370) of Part 1.8 of Division 9 of the Welfare and Institutions Code, for providing childcare for a recipient or former recipient after the implementation of the Trustline registration system in those programs. A provider, as defined by Section 1596.60, who was exempted from Trustline registration because the provider was not compensated, in whole or in part, with funds provided under Stage 1 of the CalWORKs Child Care Program pursuant to Chapter 21 (commencing with Section 10370) of Part 1.8 of Division 9 of the Welfare and Institutions Code, for providing childcare for a recipient or former recipient shall be registered, at no cost to the provider, pursuant to Sections 1596.603 and 1596.605 when either of the following occur:

(1) The provider begins to provide childcare to an eligible family for which the provider has not provided care.

(2) The provider begins to provide childcare to an eligible family subsequent to a lapse in providing care that is compensated under Stage 1 of the CalWORKs Child Care Program pursuant to Chapter 21 (commencing with Section 10370) of Part 1.8 of Division 9 of the Welfare and Institutions Code, for providing childcare for a recipient or former recipient.

(b) Payment provided pursuant to subdivision (a) shall cease if the provider has a criminal conviction for which the department has not granted a criminal record exemption pursuant to subdivision (f) of Section 1596.871.

(c) Subdivision (a) shall not be implemented unless funding for Trustline registration is appropriated to the department for this purpose in the annual Budget Act or in other legislation. The department shall enter into a contract with the California Child Care Resource and Referral Network to administer the Trustline as it relates to providers who are compensated under Stage 1 of the CalWORKs Child Care Program pursuant to Chapter 21 (commencing with Section 10370) of Part 1.8 of Division 9 of the Welfare and Institutions Code, for providing childcare for a recipient or former recipient.

SEC. 245. Section 1596.792 of the Health and Safety Code is amended to read:

1596.792. This chapter, Chapter 3.5 (commencing with Section 1596.90), and Chapter 3.6 (commencing with Section 1597.30) do not apply to any of the following:

(a) Any health facility, as defined by Section 1250.

(b) Any clinic, as defined by Section 1202.

(c) Any community care facility, as defined by Section 1502.

(d) Any family childcare home providing care for the children of only one family in addition to the operator's own children.

(e) Any cooperative arrangement between parents for the care of their children when no payment is involved and the arrangement meets all of the following conditions:

(1) In a cooperative arrangement, parents shall combine their efforts so that each parent, or set of parents, rotates as the responsible caregiver with respect to all the children in the cooperative.

(2) Any person caring for children shall be a parent, legal guardian, stepparent, grandparent, aunt, uncle, or adult sibling of at least one of the children in the cooperative.

(3) There can be no payment of money or receipt of in-kind income in exchange for the provision of care. This does not prohibit in-kind contributions of snacks, games, toys, blankets for napping, pillows, and other materials parents deem appropriate for their children. It is not the intent of this paragraph to prohibit payment for outside activities, the amount of which may not exceed the actual cost of the activity.

(4) No more than 12 children are receiving care in the same place at the same time.

(f) Any arrangement for the receiving and care of children by a relative.

(g) Any public recreation program. "Public recreation program" means a program operated by the state, city, county, special district, school district, community college district, chartered city, or chartered city and county that meets either of the following criteria:

(1) The program is operated only during hours other than normal school hours for kindergarten and grades 1 to 12, inclusive, in the public school district where the program is located, or operated only during periods when students in kindergarten and grades 1 to 12, inclusive, are normally not in session in the public school district where the program is located, for either of the following periods:

(A) For under 20 hours per week.

(B) For a total of 14 weeks or less during a 12-month period. This total applies to any 14 weeks within any 12-month period, without regard to whether the weeks are consecutive.

In determining "normal school hours" or periods when students are "normally not in session," the State Department of Social Services shall, when appropriate, consider the normal school hours or periods when students are normally not in session for students attending a year-round school.

(2) The program is provided to children who are over the age of four years and nine months and not yet enrolled in school and the program is operated during either of the following periods:

(A) For under 16 hours per week.

(B) For a total of 12 weeks or less during a 12-month period. This total applies to any 12 weeks within any 12-month period, without regard to whether the weeks are consecutive.

(3) The program is provided to children under the age of four years and nine months with sessions that run 12 hours per week or less and are 12 weeks or less in duration. A program subject to this paragraph may permit children to be enrolled in consecutive sessions throughout the year. However, the program shall not permit children to be enrolled in a combination of sessions that total more than 12 hours per week for each child.

(h) Extended daycare programs operated by public or private schools.

(i) Any school parenting program or adult education childcare program that satisfies both of the following:

(1) Is operated by a public school district or operated by an individual or organization pursuant to a contract with a public school district.

(2) Is not operated by an organization specified in Section 1596.793.

(j) Any child daycare program that operates only one day per week for no more than four hours on that one day.

(k) Any child daycare program that offers temporary childcare services to parents and that satisfies both of the following:

(1) The services are only provided to parents and guardians who are on the same premises as the site of the child daycare program.

(2) The child daycare program is not operated on the site of a ski facility, shopping mall, department store, or any other similar site identified by the department by regulation.

(l) Any program that provides activities for children of an instructional nature in a classroom-like setting and satisfies both of the following:

(1) Is operated only during periods of the year when students in kindergarten and grades 1 to 12, inclusive, are normally not in session in the public school district where the program is located due to regularly scheduled vacations.

(2) Offers any number of sessions during the period specified in paragraph (1) that when added together do not exceed a total of 30 days when only schoolage children are enrolled in the program or 15 days when children younger than schoolage are enrolled in the program.

(m) A program facility administered by the Department of Corrections and Rehabilitation that (1) houses both women and their children, and (2) is specifically designated for the purpose of providing substance abuse treatment and maintaining and strengthening the family unit pursuant to Chapter 4 (commencing with Section 3410) of Title 2 of Part 3 of the Penal Code, or Chapter 4.8 (commencing with Section 1174) of Title 7 of Part 2 of that code.

(n) Any crisis nursery, as defined in paragraph (17) of subdivision (a) of Section 1502.

(o) (1) Commencing with the adoption of emergency regulations pursuant to paragraph (3), or no later than July 1, 2019, whichever comes first, a California state preschool program operated by a local educational agency under contract with the State Department of Education and that operates in a school building, as defined by Section 17283 of the Education Code, that meets all of the following conditions:

(A) The program is operated in a local educational agency facility that meets the requirements of the Field Act, as specified in Article 3 (commencing with Section 17280) and Article 6 (commencing with Section 17365) of Chapter 3 of Part 10.5 of Division 1 of Title 1 of, and Article 7 (commencing with Section 81130) of Chapter 1 of Part 49 of Division 7 of Title 3 of, the Education Code.

(B) The local educational agency facility is constructed consistent with California Building Standards Code pursuant to Title 24 of the California Code of Regulations.

(C) The local educational agency facility meets the requirements for kindergarten classrooms in accordance with Chapter 13 (commencing with Section 14000) of Division 1 of Title 5 of the California Code of Regulations.

(D) The program meets all other requirements of California state preschool programs pursuant to Chapter 19 (commencing with Section 17906) of Division 1 of Title 5 of the California Code of Regulations.

(2) A California state preschool program exempt under this subdivision shall be considered licensed under Division 12 (commencing with Section 101151) of Title 22 of the California Code of Regulations for purposes of establishing a rating on an early learning quality rating and improvement system matrix pursuant to Section 8203.1 of the Education Code.

(3) (A) No later than October 1, 2017, the Legislative Analyst shall convene a stakeholder process for the purpose of ensuring state preschools operated by local educational agencies are maintaining all existing necessary health and safety requirements.

(B) The stakeholder process shall identify and make recommendations on any health and safety requirements currently required under Title 22 of the California Code of Regulations, but not included in Title 5 of the California Code of Regulations, the Field Act, Title 24 of the California Code of Regulations, the California Plumbing Code, the Education Code, or this code, including, but not limited to, all of the following:

(i) Adequate outdoor shade structures.

(ii) Access to age and developmentally appropriate bathroom and drinking water facilities.

(iii) Appropriate processes for parent notification and resolution of code and regulation violations.

(C) The stakeholder process participants shall include experts on early childhood education health and safety issues from local educational agency and nonlocal educational agency state preschool program providers, and representatives from the State Department of Education, State Department of Social Services, Department of Finance, and legislative staff.

(D) No later than March 15, 2018, the Legislative Analyst shall report to the appropriate fiscal and policy committees of the Legislature, the Department of Finance, and the State Department of Education on recommendations or observations as a result of the stakeholder process. These recommendations or observations shall consider the fiscal impact on the state. No sooner than 30 days after the report is provided, the State Department of Education shall commence a process to adopt emergency regulations pursuant to Section 11346.1 of the Government Code to satisfy the requirements of this paragraph. The adoption of emergency regulations shall be deemed an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare.

(4) For purposes of this subdivision, the following terms have the following meanings:

(A) "California state preschool program" means any classroom that is funded, in whole or in part, by funds received pursuant to Section 8207 of the Education Code.

(B) "Local educational agency" means a school district, county office of education, or charter school.

SEC. 246. Section 1596.853 of the Health and Safety Code is amended to read:

1596.853. (a) Any person may request an inspection of any child daycare facility in accordance with the California Child Day Care Facilities Act by transmitting to the department notice of an alleged violation of applicable requirements prescribed by the statutes or regulations of this state. A complaint may be made either orally or in writing.

(b) The substance of the complaint shall be provided to the licensee no earlier than at the time of the inspection. Unless the complainant specifically requests otherwise, neither the substance of the complaint provided the licensee nor any copy of the complaint or any record published, released, or otherwise made available to the licensee shall disclose the name of any person mentioned in the complaint, except the name of any duly authorized officer, employee, or agent of the department conducting the investigation or inspection pursuant to this chapter.

(c) Upon receipt of a complaint, the department shall make a preliminary review and, unless the department determines that the complaint is willfully intended to harass a licensee or is without any reasonable basis, the department shall make an onsite inspection within 10 days after receiving the complaint, except where the visit would adversely affect the licensing investigation or the investigation of other agencies, including, but not limited to, law enforcement agencies. In either event, the complainant shall be promptly informed of the department's proposed course of action.

If the department determines that the complaint is without a reasonable basis, then the complaint shall be marked confidential and shall not be disclosed to the public. The childcare provider shall be notified in writing within 30 days of the dismissal that the complaint has been dismissed.

(d) (1) The department shall notify a resource and referral program funded under Section 10217 of the Welfare and Institutions Code, as follows:

(A) Upon the issuance or denial of a license for a child daycare facility within the resource and referral program's jurisdiction.

(B) Within one business day of a finding that physical or sexual abuse has occurred at a child daycare facility within the resource and referral program's jurisdiction.

(C) Within two business days of the issuance of a temporary suspension order, or the revocation or placement on probation of a license for a child daycare facility within the resource and referral program's jurisdiction.

(D) The department shall also notify the resource and referral program of the final resolution of any action specified in this paragraph.

(2) With the exception of parents seeking local daycare service, any other entity specified in subdivision (b) of Section 1596.86 may request that the department provide the notification described in paragraph (1).

(e) When the department substantiates an allegation that it deems to be serious in a facility funded pursuant to Chapter 1 (commencing with Section 10200) of Part 1.8 of Division 9 of the Welfare and Institutions Code or Chapter 2 (commencing with Section 8200) of Part 6 of Division 1 of Title 1 of the Education Code it shall notify the State Department of Education.

SEC. 247. Section 1596.855 of the Health and Safety Code is amended to read:

1596.855. (a) Upon attendance at an orientation meeting, as described in Section 1596.845, an applicant shall be provided, without charge, a printed copy of all applicable regulations by the department, a copy of Section 1596.842, and a copy of the appeals procedure specified in subdivision (b) of Section 1596.842. The department shall inform applicants of the availability of a Spanish language version of these materials and shall provide it to the applicant upon request by the applicant.

(b) The department shall mail, without charge, printed copies of all revisions of regulations to all resource and referral programs funded under Section 10217 of the Welfare and Institutions Code and to any association of childcare agencies which requests to receive revisions of regulations. Upon request, the department shall mail, without charge, a version of these regulations in Spanish, and may mail, without charge, a version of these regulations in other languages, as available.

(c) The versions in Spanish and in other languages shall be provided as a convenience to the reader. In the event of a discrepancy between these versions and the English version, the English version shall prevail.

SEC. 248. Section 1596.859 of the Health and Safety Code is amended to read:

1596.859. (a) (1) Each licensed child daycare facility shall make accessible to the public a copy of any licensing report or other public licensing document pertaining to the facility that documents a facility inspection, a substantiated complaint investigation, a conference with a local licensing agency management representative and the licensee in which issues of noncompliance are discussed, or a copy of an accusation indicating the department's intent to revoke the facility's license. An individual licensing report and other licensing documents shall not be required to be maintained beyond three years from the date of issuance, and shall not include any information that would not have been accessible to the public through the State Department of Social Services Community Care Licensing Division.

(2) (A) Every childcare resource and referral program established pursuant to Chapter 2 (commencing with Section 10217) of Part 1.8 of Division 9 of the Welfare and Institutions Code and every alternative payment program established pursuant to Chapter 3 (commencing with Section 10225) of Part 1.8 of Division 9 of the Welfare and Institutions Code shall advise every person who requests a childcare referral of their right to the licensing information of a licensed child daycare facility required to be maintained at the facility pursuant to this section and to access any public files pertaining to the facility that are maintained by the State Department of Social Services Community Care Licensing Division.

(B) A written or oral advisement in substantially the following form, with the telephone number of the local licensing office included, will comply with the requirements of subparagraph (A):

"As a parent, you have the right to get information about any substantiated or unsubstantiated complaints about a childcare provider that you select for your child. That information is public and you can get it by calling the local licensing office. This telephone number is ____."

(b) Within 30 days after the date specified by the department for a licensee to correct a deficiency, the department shall provide the licensee with a licensing report or other appropriate document verifying compliance or noncompliance. Notwithstanding any other provision of law, and with good cause, the department may provide the licensee with an alternate timeframe for providing the licensing report or other appropriate document verifying compliance or noncompliance. If the department provides the licensee with an alternate timeframe, it shall also provide the reasons for the alternate timeframe, in writing. The licensee shall make this documentation available to the public.

SEC. 249. Section 1596.86 of the Health and Safety Code is amended to read:

1596.86. (a) The director shall annually publish and make available to interested persons a list or lists covering all licensed child daycare facilities, other than small family childcare homes, and the services for which each facility has been licensed or issued a special permit. The lists shall also specify the licensed capacity of the facility and whether it is licensed by the department or by another public agency.

(b) To encourage the recruitment of small family childcare homes and protect their personal privacy, the department shall prevent the use of lists containing names, addresses, and other identifying information of facilities identified as small family childcare homes, except as necessary for administering the licensing program, facilitating the placement of children in these facilities, and providing the names and addresses to resource and referral agencies funded by the department, food and nutrition programs funded by the department, alternative payment programs funded by the department, county welfare-to-work programs under Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, family childcare organizations, provider organizations that have been determined to be provider organizations pursuant to subdivision (a) of Section 10422 of the Welfare and Institutions Code, the Department of Human Resources and the Public Employment Relations Board for the administration of Chapter 25 (commencing with Section 10420) of Part 1.8 of Division 9 of the Welfare and Institutions Code, or specialized health care service plans licensed under the Knox-Keene Health Care Service Plan Act of 1975, as contained in Chapter 2.2 (commencing with Section 1340), which provide employee assistance program services that

include childcare referral services. Upon request, parents seeking local daycare services may receive the names and telephone numbers of local small family childcare providers.

(c) The department shall adopt regulations relating to the confidentiality of information provided pursuant to subdivision (b) on small family childcare homes. These regulations shall include procedures for updating lists or other information on small family childcare providers to ensure referral only to licensed family childcare homes in good standing with the department. Any person or entity violating the regulations under this subdivision may be denied access by the department to information on small family childcare homes and shall be reported by the department to the appropriate funding or licensing department.

SEC. 250. Section 1596.8661 of the Health and Safety Code is amended to read:

1596.8661. (a) For purposes of the training required pursuant to paragraph (4) of subdivision (a) of Section 1596.798, pediatric first aid training pursuant to Section 1596.866 shall include a component of training in the administration of inhaled medication described in paragraph (4) of subdivision (a) of Section 1596.798.

(b) The Emergency Medical Services Authority shall establish, consistent with Section 1797.191, minimum standards for a component of pediatric first aid training that satisfies the requirements of paragraph (4) of subdivision (a) of Section 1596.798. For purposes of this subdivision, the Emergency Medical Services Authority is encouraged to consult with organizations and providers with expertise in administering inhaled medication and nebulizer care, including, but not limited to, the American Lung Association, respiratory therapists, and others.

(c) For purposes of the training required pursuant to clause (ii) of subparagraph (C) of paragraph (2) of subdivision (a) of Section 1596.866, instruction in childhood nutrition shall be at least one hour in length and shall include content on age-appropriate meal patterns based on the most current Dietary Guidelines for Americans. In order to increase childcare providers' capacity to serve healthy foods at a lower cost, the training shall contain information about reimbursement rates for the United States Department of Agriculture's Child and Adult Care Food Program (CACFP) (7 C.F.R. 226.20), and shall direct childcare providers to the CACFP Unit of the Nutrition Services Division of the department for detailed information on CACFP eligibility and enrollment.

(d) 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 Emergency Medical Services Authority may, through bulletin or similar instructions from the director until regulations are adopted, establish standards for the training in childhood nutrition required pursuant to clause (ii) of subparagraph (C) of paragraph (2) of subdivision (a) of Section 1596.866 and for the training in lead poisoning required pursuant to clause (i) of subparagraph (C) of paragraph (2) of subdivision (a) of Section 1596.866.

SEC. 251. Section 1596.87 of the Health and Safety Code is amended to read:

1596.87. (a) The department shall institute a staff development and training program within the organizational structure to develop among staff the knowledge, understanding of children and childcare, and regulatory administration necessary to successfully carry out this act. Specifically, the department shall do all of the following:

(1) Provide staff with 36 hours of training per year that reflect the unique needs of children. The training shall include training relating to regulation administration, including communication skills, writing skills, and human relations skills.

(2) Find ways to encourage applications from individuals with childcare provider experience or educational backgrounds applicable to the provision of childcare.

(3) Provide new staff with comprehensive training within the first six months of employment. This training shall, at a minimum, include the following core areas: administrative action process, client populations, conducting facility visits, cultural awareness, documentation skills, facility operations, human relation skills, interviewing techniques, investigation processes, and regulation administration.

(4) This program shall also provide new staff who have earned fewer than 16 semester units in child development or early childhood education from an accredited college at least 40 hours of preservice training in child development or early childhood education.

(b) Submit for approval to the advisory committee established in Section 10320 of the Welfare and Institutions Code a plan for meeting the provisions of paragraphs (1) and (3) of subdivision (a).

SEC. 252. Section 1596.8716 of the Health and Safety Code is amended to read:

1596.8716. (a) For licensing purposes, employees of a childcare and development program operated by a school district, county office of education, or community college under contract with the department pursuant to Chapter 1 (commencing with Section 10200) of Part 1.7 of Division 9 of the Welfare and Institutions Code or with the State Department of Education pursuant to

Chapter 2 (commencing with Section 8200) of Part 6 of Division 1 of Title 1 of the Education Code who have received a physical examination as a condition of employment with the district or office are not required to have a health screening as required by Section 101216 of Title 22 of the California Code of Regulations.

(b) For licensing purposes, a school principal of a public school that operates a childcare and development program under contract with the State Department of Education pursuant to Article 2 (commencing with Section 8207) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code shall be deemed qualified to be a childcare center director pursuant to Section 101315 of Title 22 of the California Code of Regulations only when the program is located on the campus of an operating public school, with staff who are employees of the public school.

SEC. 253. Section 1596.873 of the Health and Safety Code is amended to read:

1596.873. The Early Childhood Policy Council established pursuant to Section 10320 of the Welfare and Institutions Code shall perform all of the following functions with regard to this act:

- (a) Assist the department in developing and reviewing guidelines for the administration of this act.
- (b) Review the implementation of this act.
- (c) Advise the director regarding regulations, policy, and administrative practices pertaining to the licensing of child daycare facilities.

SEC. 254. Section 1596.890 of the Health and Safety Code is amended to read:

1596.890. (a) Any person who willfully or repeatedly violates any provision of this chapter, or any rule or regulation promulgated under this chapter is guilty of a misdemeanor. Upon conviction thereof, such a person shall be punished by a fine not to exceed one thousand dollars (\$1,000) or by imprisonment in the county jail for a period not to exceed 180 days, or by both the fine and imprisonment. The operation of a child daycare facility without a license issued pursuant to this chapter shall make the owner or operator, or both, subject to a summons to appear in court.

(b) Notwithstanding subdivision (a) or any other provision of law, the sole sanction for failure of a resources and referral agency or an alternative payment program to comply with paragraph (2) of subdivision (a) of Section 1596.859 shall be set forth in the "Funding Terms and Conditions" agreement between the affected agency or program and the department.

SEC. 255. Section 1596.893c of the Health and Safety Code is amended to read:

1596.893c. (a) The department shall consider, in determining whether to issue a citation or impose a civil penalty under any provision of this chapter to a child daycare facility that contracts with the State Department of Education, whether the child daycare facility is in the process of complying with Section 8222 of the Education Code.

(b) This section shall apply only to a California state preschool program described in Article 2 (commencing with Section 8207) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code.

SEC. 256. Section 1596.895 of the Health and Safety Code is amended to read:

1596.895. (a) The department shall notify resource and referral agencies funded pursuant to Section 10217 of the Welfare and Institutions Code of any priority one violation or any allegation of a priority one violation affecting the health and safety of children that is within the geographic area served by the agency. Resource and referral agencies shall use this information when deciding whether to make a referral to the licensee and shall maintain the confidentiality of information provided to them pursuant to this section.

(b) The Child Care Regulation Section shall notify these resource and referral agencies of the department's actions regarding these allegations of priority one violations within 30 days. The Child Care Regulation Section shall notify these resource and referral agencies of the department's actions regarding these allegations of priority one violations within 10 days after the allegations have been substantiated by the department.

(c) "Priority one violation" is defined to include sexual assault, physical abuse, ritualistic abuse, or suspicious deaths, if any of the following apply:

- (1) The victim is a child in care and the suspect is the facility operator, the licensee, an employee of the facility, or is yet to be identified as any of the individuals specified in this paragraph.
- (2) The facility is operating and the suspect has access to the victim or potential victim.

(3) The complaint is against an unlicensed facility and either a temporary suspension order is in effect or the license has been revoked.

(d) "Allegation of a priority one violation" is defined to include any complaints of priority one violations pursuant to subdivision (c).

(e) The department shall implement this section only to the extent funds are available in accordance with Section 18285.5 of the Welfare and Institutions Code.

SEC. 257. Section 1597.36 of the Health and Safety Code is amended to read:

1597.36. The department shall provide written documentation to providers of the need for repairs, renovations, or additions when requested for an application for a loan guarantee pursuant to subdivision (d) of Section 10305.5 of the Welfare and Institutions Code whenever the repairs, renovations, or additions are required by the department in order for the licensee to maintain or obtain a license for more than six children.

SEC. 258. Section 10203 of the Welfare and Institutions Code is amended to read:

10203. (a) It is the intent of the Legislature to launch a phased approach to achieving the goals of the state's Master Plan for Early Learning and Care, uniting child care programs where they can best be integrated with other child and family focused benefits, programs, and services, and support child care providers and programs while maintaining vital connections to preschool, transitional kindergarten, and K-12 education.

(b) To effectuate this transition, effective July 1, 2021, responsibility for the following programs, responsibilities, services, and systems are hereby transferred from the State Department of Education and the Superintendent of Public Instruction to the State Department of Social Services:

(1) Alternative payment programs pursuant to Chapter 3 (commencing with Section 10225) of Part 1.8.

(2) Migrant alternative payment programs pursuant to Chapter 3 (commencing with Section 10225) of Part 1.8.

(3) CalWORKs Stage 2 child care pursuant to Chapter 21 (commencing with Section 10370) of Part 1.8.

(4) CalWORKs Stage 3 child care pursuant to Chapter 21 (commencing with Section 10370) of Part 1.8.

(5) General child care and development programs pursuant to Chapter 7 (commencing with Section 10240) of Part 1.8.

(6) Migrant child care and development programs pursuant to Chapter 6 (commencing with Section 10235) Part 1.8.

(7) Child care and development services for children with severe disabilities pursuant to Chapter 9 (commencing with Section 10260) of Part 1.8.

(8) The Child and Adult Care Food Program implemented pursuant to Section 1766 of Title 42 of the United States Code.

(9) Child care and development facilities capital outlay pursuant to Chapter 30 (commencing with Section 10470) of Part 1.8.

(10) Responsibility as the lead agency for administration of the Child Care and Development Fund, as defined in Section 98.2 of Title 45 of the Code of Federal Regulations, and as set forth in Sections 10211 to 10212.5, inclusive.

(11) Responsibility as the lead agency for the Child Care and Development Fund State Plan Early Learning and Care Infrastructure Grant Program pursuant to former Section 8280 of the Education Code.

(12) The Early Learning and Care Workforce Development Grants Program pursuant to Section 10311.

(13) The California Head Start State Collaboration Office funded by collaboration grants awarded pursuant to Section 9837b of Title 42 of the United States Code.

(14) The Early Head Start-Child Care Partnerships Grant from the United States Department of Health and Human Services.

(15) Resource and referral agencies pursuant to Chapter 2 (commencing with Section 10217) of Part 1.8.

(16) Local child care and development planning councils pursuant to Chapter 31 (commencing with Section 10480) of Part 1.8.

(17) The California Child Care Initiative Project pursuant to Section 10223.

(18) Other child care quality improvement projects.

(19) Any memoranda of understanding and partnerships related to the programs, services, and systems listed in this subdivision.

(20) The Child Development Management Information System and other related data systems as they pertain to the programs, services, and systems listed in this subdivision.

SEC. 259. Section 10205 of the Welfare and Institutions Code is amended to read:

10205. (a) Commencing July 1, 2021, the department succeeds to, and is vested with, all the powers, functions, duties, responsibilities, obligations, liabilities, and jurisdiction of the programs, responsibilities, services, and systems listed in subdivision (b) of Section 10203.

(b) The department may enter into memoranda of understanding or interagency agreements or contracts with the California Health and Human Services Agency, its other departments and offices, the State Department of Education, and any other state agency, department, or office, as necessary to implement this part.

(c) Unless the context clearly requires otherwise, any reference to the State Department of Education or the Superintendent of Public Instruction in any regulation, contract, or in any other code, with respect to any of the programs, responsibilities, services, or systems listed in subdivision (b) of Section 10203, is a reference to the State Department of Social Services.

(d) Without limiting any other powers or duties, the department shall ensure compliance with the terms of any state plans, memoranda of understanding, administrative orders, interagency agreements, contracts, assurances, single state agency obligations, federal statutes and regulations, and any other form of agreement or obligation that vital government activities rely upon or are a condition to the continued receipt by the department of state or federal funds or services.

(e) All existing regulations relating to programs, responsibilities, services, and systems listed in subdivision (b) of Section 10203 that have been adopted by the State Department of Education on or before June 30, 2021, are expressly continued in force, unless they conflict with the act that added this part. Any statute, law, rule, or regulation relating to the programs, responsibilities, services, and systems listed in subdivision (b) of Section 10203 that are in force on June 30, 2020, or that may hereafter be enacted or adopted with reference to this part, shall apply to the department.

(f) A contract, lease, license, state or federal grant, memorandum of understanding, or any other agreement relating to the programs, responsibilities, services, and systems listed in subdivision (b) of Section 10203 to which the State Department of Education is a party is not void or voidable by reason of the act that added this part, but are continued in full force and effect, with the department assuming all of the rights, obligations, and duties of the State Department of Education. The assumption by the department does not in any way affect the rights of the parties to the contract, lease, license, state or federal grant, memorandum of understanding, or agreement.

(g) Any legal action concerning the duties, responsibilities, obligations, liabilities, and functions described in this chapter shall not abate, and shall continue in the name of the department. The substitution of the department for the State Department of Education or the Superintendent of Public Instruction does not affect the rights of the parties to the action.

(h) All financial and accounting records, documents, records, and property relating to programs, responsibilities, services, and systems listed in subdivision (b) of Section 10203 shall be transferred to the department by the State Department of Education. The format and timing of this transfer shall be mutually agreed upon by the State Department of Social Services and the State Department of Education and the Superintendent of Public Instruction, and shall not require formal agreement or approval by any other entity.

(i) On or before July 1, 2021, the Governor shall establish the position of Deputy Director of Child Care and Development within the department, as an exempt position, to be appointed by the Governor, subject to confirmation by the Senate, and who holds office at the pleasure of the Governor.

(j) On or before March 31, 2021, the department shall submit to the appropriate budget and policy committees of the Legislature, the Department of Finance, and the Early Childhood Policy Council, a plan that describes how the department will achieve the intent expressed in Section 10203, including a description of activities undertaken by the department up until that date, and specifying all of the following:

(1) How the department intends to make child care programs more integrated.

(2) How the department plans to maintain existing connections or enhance connections to California state preschool programs, transitional kindergarten, and elementary and secondary education.

(3) An estimate of the ongoing cost of the State Department of Social Services for administering child care programs. A description of the number of positions that will move to the State Department of Social Services from the State Department of

Education and the number of additional positions the State Department of Social Services will need.

(4) How this shift results in better services for children and families, including how this shift will ensure families have the most comprehensive information about their choices in comprehensive supports for their families, including child care.

(5) How the department plans to prevent administrative duplication and regulatory conflict for providers that have contracts for both general child care and development programs and California state preschool programs.

(6) How the department plans to maintain the existing provider flexibility to transfer funds across contracts for both general child care and development programs and California state preschool programs.

(7) How the department plans to ensure quality projects support state-supported child care in all settings, including California state preschool programs.

(8) How the California Head Start State Collaboration Office will continue to engage with California state preschool program providers and school districts.

(9) How parents will be provided enhanced information about making an informed child care choice that best meets their child's and family's needs, from the full spectrum of quality child care available.

(10) How a cradle-to-career, interagency data system will provide improved state-level reporting, support the goals of the Master Plan for Early Learning and Care, and support the achievement of paragraph (9).

(11) Further plans to align activities with recommendations from the Master Plan for Early Learning and Care regarding child care.

(k) From October 1, 2020, to December 31, 2024, inclusive, the department shall submit to the appropriate budget and policy committees of the Legislature, the Department of Finance, and the Early Childhood Policy Council a quarterly report that describes how the department is making progress on the transition required by this chapter, and how the department is furthering the intent of this transition.

SEC. 260. Part 1.8 (commencing with Section 10207) is added to Division 9 of the Welfare and Institutions Code, to read:

PART 1.8. Child Care and Development Services Act

CHAPTER 1. General Provisions

10207. The purpose of this part is as follows:

(a) To provide 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.

(b) To encourage community-level coordination in support of child care and development services.

(c) To provide an environment that is healthy and nurturing for all children in child care and development programs.

(d) To provide the opportunity for positive parenting to take place through understanding of human growth and development.

(e) To reduce strain between parent and child in order to prevent abuse, neglect, or exploitation.

(f) To enhance the cognitive development of children, with particular emphasis upon those children who require special assistance, including bilingual capabilities to attain their full potential.

(g) To establish a framework for the expansion of child care and development services.

(h) To empower and encourage parents and families of children who require child care services to take responsibility to review the safety of the child care program or facility and to evaluate the ability of the program or facility to meet the needs of the child.

10207.5. It is the intent of the Legislature that:

(a) All families have access to child care and development services, through resource and referral services, where appropriate, regardless of ethnic status, cultural background, or special needs. It is further the intent that subsidized child care and development services be provided to persons meeting the eligibility criteria established under this chapter to the extent funding is made available by the Legislature and Congress.

(b) The healthy physical, cognitive, social, and emotional growth and development of children be supported.

(c) Families achieve and maintain their personal, social, economic, and emotional stability through an opportunity to attain financial stability through employment, while maximizing growth and development of their children, and enhancing their parenting skills through participation in child care and development programs.

(d) Community-level coordination in support of child care and development services be encouraged.

(e) Families have a choice of programs that allow for maximum involvement in planning, implementation, operation, and evaluation of child care and development programs.

(f) Parents and families be fully informed of their rights and responsibilities to evaluate the quality and safety of child care programs, including, but not limited to, their right to inspect child care licensing files.

(g) Planning for expansion of child care and development programs be based on ongoing local needs assessments.

(h) The department, in providing funding to child care and development agencies, promote a range of services which will allow parents the opportunity to choose the type of care most suited to their needs. The program scope may include the following:

(1) Programs located in centers, family child care homes, or in the child's own home.

(2) Services provided part-day, full-day, and during nonstandard hours including weekend care, night and shift care, before and after school care, and care during holidays and vacation.

(3) Child care services provided for infants, preschool, and schoolage children.

(i) The department be responsible for the establishment of a public hearing process or other public input process that ensures the participation of those agencies directly affected by a particular section or sections of this chapter.

10208. The department shall develop standards for the implementation of quality programs. Indicators of quality shall include, but not be limited to:

(a) A physical environment that is safe and appropriate to the ages of the children and that meets applicable licensing standards.

(b) Program activities and services that are age appropriate and meet the developmental needs of each child.

(c) Program activities and services that meet the cultural and linguistic needs of children and families.

(d) Family and community involvement.

(e) Parent education.

(f) Efficient and effective local program administration.

(g) Staff that possesses the appropriate and required qualifications or experience, or both. The appropriate staff qualifications shall reflect the diverse linguistic and cultural makeup of the children and families in the child care and development program. The use of intergenerational staff shall be encouraged.

(h) Program activities and services that meet the needs of children with exceptional needs and their families.

(i) Support services for children, families, and providers of care.

(j) Resource and referral services.

(k) Alternative payment services.

(l) Provision for nutritional needs of children.

(m) Social services that include, but are not limited to, identification of child and family needs and referral to appropriate agencies.

(n) Health services that include referral of children to appropriate agencies for services.

10209. (a) On or before June 30, 1999, the State Department of Education, in consultation with the department, shall develop prekindergarten learning development guidelines. The development of these guidelines shall be funded from funds appropriated for this purpose in the Budget Act of 1998. The guidelines shall focus on preparing four- and five-year-old children for kindergarten. The guidelines shall identify appropriate developmental milestones for each age, how to assess where children are in relation to the milestones, and suggested methods for achieving the milestones. In addition, the guidelines shall identify any basic beginning skills needed to prepare children for kindergarten or first grade, and methods for teaching these basic skills. The guidelines shall be articulated with the academic content and performance standards adopted by the State Board of Education for

kindergarten and grades 1 to 12, inclusive. The State Department of Education may contract with an appropriate public or private agency to develop the guidelines.

(b) In future expenditure plans for quality improvement activities, the department shall include funding for periodically updating the guidelines consistent with academic and performance standards and relevant research, broadly distributing the guidelines, and providing education, outreach, and training services to implement the guidelines.

(c) Programs funded by the department under Chapter 6 (commencing with Section 10235) and Chapter 7 (commencing with Section 10240), shall use the prekindergarten learning development guidelines developed pursuant to this section.

10209.5. (a) The department shall ensure that each contract entered into under this part to provide child care and development services, or to facilitate the provision of those services, provides support to the public school system of this state through the delivery of appropriate educational services to the children served pursuant to the contract.

(b) The department shall ensure that all contracts for child care and development programs include a requirement that each public or private provider maintain a developmental profile to appropriately identify the emotional, social, physical, and cognitive growth of each child served in order to promote the child's success in the public schools. To the extent possible, the department shall provide a developmental profile to all public and private providers using existing profile instruments that are most cost efficient. The provider of any program operated pursuant to a contract under Section 10268.5 shall be responsible for maintaining developmental profiles upon entry through exit from a child development program.

10210. In recognition of the demonstrated relationship between food and good nutrition and the capacity of children to develop and learn, it is the policy of this state that no child shall be hungry while in attendance in child care and development facilities as defined in Section 10213.5 and that child development facilities have an obligation to provide for the nutritional needs of children in attendance.

10210.5. It is the intent of the Legislature that in providing child development programs the department give priority to children of families that qualify under applicable federal statutes or regulations as recipients of public assistance and other low-income and disadvantaged families. Federal reimbursement shall be claimed for any child receiving services under this part for whom federal funds are available.

10211. (a) The department is hereby designated as the single state agency responsible for the promotion, development, and provision of care of children in the absence of their parents during the workday or while engaged in other activities which require assistance of a third party or parties. The department shall administer the federal Child Care and Development Fund.

(b) For purposes of this section, "Child Care and Development Fund" has the same meaning as in Section 98.2 of Title 45 of the Code of Federal Regulations.

10211.5. (a) The department shall collaborate with the Secretary of Health and Human Services, with the advice and assistance of the Child Development Programs Advisory Committee, in the development of the state plan required pursuant to the federal Child Care and Development Fund, before submitting or reporting on that plan to the federal Secretary of Health and Human Services.

(b) (1) For purposes of this section, "Child Care and Development Fund" has the same meaning as in Section 98.2 of Title 45 of the Code of Federal Regulations.

(2) For purposes of this section, "collaborate" means to cooperate with and to consult with.

(c) (1) As required by federal law, the department shall develop an expenditure plan that sets forth the final priorities for child care. The department shall coordinate with the State Department of Education, the California Children and Families Commission, and other stakeholders, including the Department of Finance, to develop the Child Care and Development Fund (CCDF) Plan. On or before February 1 of the year that the CCDF Plan is due to the federal government, the department shall release a draft of the plan. The department shall then commence a 30-day comment period that shall include at least one hearing and the opportunity for written comments. By April 1 of the year that the CCDF Plan is due, the department shall provide the revised plan and a description of any changes to the earlier draft to the Director of Finance and the chairs of the fiscal committees of the Legislature.

(2) After the CCDF Plan is approved by the United States Department of Health and Human Services, the department shall provide to the Department of Finance and the fiscal committees of the Legislature a copy of the final plan and a description of any changes made since submitting the draft plan for review.

(3) If the annual Budget Act requires changes to the approved CCDF Plan, the department shall submit an amended plan to the United States Department of Health and Human Services.

10212. The department shall consult with the Commission on Teacher Credentialing, and the office of the Chancellor of the California Community Colleges in development of the state plan, where appropriate.

10212.5. It is the intent of the Legislature that federal funds received pursuant to the federal Child Care and Development Fund be allocated according to federal regulations. For purposes of this section, "Child Care and Development Fund" has the same meaning as in Section 98.2 of Title 45 of the Code of Federal Regulations.

10213. (a) The Legislature finds and declares all of the following:

- (1) Providing children in California with a healthy start is one of the best investments the state can make.
- (2) Research links early childhood interventions and improved life outcomes, including higher education levels, better health, and stronger career opportunities.
- (3) All children, from birth through 12 years of age, should have access to culturally, linguistically, and developmentally appropriate, nurturing, educational, and high-quality early learning and care opportunities.
- (4) All families should have access to a variety of early learning and care settings that meet their needs and are affordable.
- (5) Parents are more likely to be successful in school and work if they know that their children are safe and productively engaged throughout the day.
- (6) Children who are emotionally, developmentally, and academically supported in an early learning and care setting are more likely to start school ready to learn and continue to excel once they are enrolled in school.
- (7) High-quality early learning and care programs require a competent, effective, well-compensated, and professionally supported workforce that reflects the racial, ethnic, and linguistic diversity and needs of the children and families served, including children who are dual language learners and children with exceptional needs.
- (8) Early learning and care programs must be integrated with other supports and services for children, families, and the workforce.
- (9) Subsidized access to high-quality early learning and care programs requires funding sources that are adequate and sustainable to meet the costs of care, respond to the diverse needs of children and families, and adequately compensate and support the workforce.

(b) To guide the implementation of a well-aligned, comprehensive state early learning and care system, the Secretary of California Health and Human Services, or the secretary's designee, in concurrence with the executive director of the State Board of Education, or the executive director's designee, and in consultation with the Superintendent of Public Instruction, or the Superintendent of Public Instruction's designee, shall enter into a contract with one or more nongovernmental research entities to review existing research and data and to conduct research on priority areas of study identified pursuant to subdivision (d). This work shall be compiled in a report, or series of reports, released on a continuing basis and shall be completed on or before October 1, 2020, and provided to the Governor, the chairpersons of the relevant legislative policy and budget committees, the Secretary of California Health and Human Services, the executive director of the State Board of Education, the Superintendent of Public Instruction, and the Director of Finance.

(c) The report or series of reports prepared pursuant to subdivision (b) shall be designed to support and incorporate relevant components of the 2019 California Assembly Blue Ribbon Commission on Early Childhood Education Final Report, and are intended to be used to develop a master plan to ensure comprehensive, quality, and affordable child care and universal preschool for children from birth to school age. To the extent necessary and appropriate, the entities conducting research pursuant to this section shall engage a diverse group of stakeholders and experts, including families and providers, to inform their recommendations. All reports shall take into account fiscal sustainability and include costs to implement the recommendations and strategies for prioritizing investments into the recommendations over a multiyear period.

(d) The amount appropriated for purposes of this section in the Budget Act of 2019 shall be allocated for the following priority areas of study:

- (1) A fiscal framework that provides options for ongoing funding to significantly expand early learning and care in the state, including options to generate needed revenues and examine alternate funding streams. This framework shall incorporate the principles of shared responsibility, fiscal sustainability, and regional variability, including by examining the appropriate role for government, businesses, and parents in meeting high-quality, affordable child care and prekindergarten education needs.

(2) Early learning and care facility needs statewide, including surveys of subsidized early learning and care providers to collect information regarding ownership or rental of the facilities, monthly facility payments, ancillary costs, interest in expanding existing facilities, and any associated challenges, including ongoing facility maintenance. This study shall identify areas of the state most in need of early learning and care facility expansion and shall recommend the most appropriate setting types given the unique geographic and capacity characteristics of the region. Additionally, this study shall also seek input from relevant regional entities to identify existing publicly owned facilities that could house early learning and care programs with modifications to meet health and safety requirements, including those facilities owned by school districts, county offices of education, cities, and counties.

(3) Need for early learning and care services by families eligible for subsidies, including those not currently receiving services. The study shall include, but not be limited to, surveys of parents to collect information on current early learning and care arrangements, hours of care needs, key considerations regarding choice of provider and setting, and data about the racial, ethnic, and linguistic diversity of eligible families. This study shall include the need for early learning and care with a priority focus on those children from birth through 5 years of age, but shall also include children from birth through 12 years of age, and shall highlight regions of the state with the lowest relative access to care. The study shall also make recommendations on how to support and promote types of early learning and care that meet families' cultural and linguistic needs.

(4) An actionable quality improvement plan that includes, but is not limited to, both of the following:

(A) A cohesive set of minimum quality and program guidelines for all subsidized child care providers by and across settings that balances the improved social, emotional, cognitive, and academic development of children with the resources available to providers, and that takes into account gender, class, race, language access, implicit bias, and lived experience in the construction of quality.

(B) An accessible and cohesive career pathway for all types of child care professionals, including those whose primary language is not English, that considers a ladder of mobility, aligned with the state's system of provider reimbursement, based on competencies that are evidence based and driven by characteristics of quality, and that may consider educational attainment to produce a trained and stable workforce.

(5) Necessary steps to provide universal prekindergarten education for all three- and four-year-old children in California, including by considering both of the following:

(A) Recommendations to address the overlap between the transitional kindergarten, state preschool, and Head Start programs, and ensure that all children, regardless of family income, have access to the same level of prekindergarten program quality.

(B) Recommendations to align prekindergarten education with the subsidized child care system and the elementary and secondary education system, to ensure that children have access to a full day of care, as needed, and ensure seamless matriculation to elementary and secondary education.

(e) The Secretary of California Health and Human Services shall report to the Department of Finance and the Joint Legislative Budget Committee on the proposed expenditures of funding for research identified pursuant to subdivision (d) before entering into any contract for this purpose.

(f) For purposes of subdivisions (b) to (d), inclusive, the California Health and Human Services Agency may enter into exclusive or nonexclusive contracts with nongovernmental research entities on a bid or negotiated basis. A contract entered into or amended pursuant to subdivision (b) shall be exempt from Chapter 6 (commencing with Section 14825) of Part 5.5 of Division 3 of Title 2 of the Government Code, Section 19130 of the Government Code, and Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code, and shall be exempt from the review or approval of any division of the Department of General Services.

(g) Notwithstanding any other law, the one or more nongovernmental research entities may subcontract as necessary in the performance of its duties, subject to approval of the Secretary of California Health and Human Services.

10213.5. As used in this part:

(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 10225.5 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 and preschool 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 and preschool 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) Resource and referral.

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

(6) Family child care home education network.

(7) Alternative payment.

(8) 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 of the Education Code, and who meet eligibility criteria described in

Section 56026 of the Education Code and, Article 2.5 (commencing with Section 56333) of Chapter 4 of Part 30 of Division 4 of Title 2 of the Education Code, 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 10250 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) 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 10242 and 10380.5, 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 7 (commencing with Section 56800) of Part 30 of Division 4 of Title 2 of the Education Code 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) "Site supervisor" means a person who, regardless of their 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 department may waive the requirements of this subdivision if the department determines that the existence of compelling need is appropriately documented.

(ab) "Standard reimbursement rate" means that rate established by the department pursuant to Section 10280.

(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 department.

(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) "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.).

(aj) "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.

10214. Child care exempt from licensure is a valid parental choice of care for all programs provided for under this part, and no provision of this part shall be construed to exclude or discourage the exercise of that choice.

10214.5. Notwithstanding any other provision of law, child care and development programs, as defined in Section 10213.5, shall include, but not be limited to, respite child care and development.

10215. (a) If a state of emergency is declared by the Governor, the department may waive any requirements of this code or regulations adopted pursuant to this code relating to child care and development programs operated pursuant to this chapter only

to the extent that enforcement of the regulations or requirements would directly impede disaster relief and recovery efforts or would disrupt the current level of service in child care and development programs.

(b) If a state of emergency is declared by the Governor, the department may waive any requirements of this code or regulations adopted pursuant to this code relating to child nutrition programs in child care and development programs operated pursuant to this chapter only to the extent that enforcement of the regulations or requirements would directly impede disaster relief and recovery efforts or would disrupt the current level of service in child care and development programs.

(c) A waiver granted pursuant to subdivision (a) or (b) shall not exceed 45 calendar days.

(d) For purposes of this section, "state of emergency" includes, but is not limited to, fire, flood, earthquake, or a period of civil unrest.

(e) If a request for a waiver pursuant to subdivision (a) or (b) is for a child care and development program or child nutrition program that receives federal funds and the waiver may be inconsistent with the state plan or any federal law or regulations governing the program, the department shall seek and obtain approval of the waiver from the appropriate federal agency before granting the waiver.

(f) (1) From July 1, 2020, to June 30, 2021, inclusive, due to the ongoing impacts of child care and development facility closures and low child attendance due to the COVID-19 pandemic and related public health directives, the Superintendent shall reimburse a contracting agency for a California state preschool program pursuant to Article 2 (commencing with Section 8207) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, a general child care and development program pursuant to Chapter 7 (commencing with Section 10240), a family child care home education network pursuant to Chapter 8 (commencing with 10250), a migrant child care and development program pursuant to Chapter 6 (commencing with Section 10235), or child care and development services for children with special needs pursuant to Chapter 9 (commencing with Section 10260) that meets one of the following requirements:

(A) The program operated by the contracting agency opens by September 8, 2020, or within 21 calendar days from the start date of the contracting agency's 2020–21 program calendar approved by the department, whichever is sooner, and remains open and offering services through the 2020–21 program year.

(B) The program operated by the contracting agency is closed by local or state public health order or guidance due to the COVID-19 pandemic.

(C) (i) The program operates on the campus of a local educational agency that is closed by local or state public health guidance or order and the local educational agency has required the early learning and care program to close.

(ii) To ensure continuity of care and access to services during the COVID-19 pandemic, the governing board or body of the local educational agency requiring a closure pursuant to clause (i) shall discuss in a public hearing and prepare a plan for safely reopening early learning and care programs as soon as safely possible, but no later than when local education agency campuses open for in-person instruction.

(2) Reimbursement pursuant to paragraph (1) shall be 100 percent of the contract maximum reimbursable amount or net reimbursable program costs, whichever is less, pursuant to guidance released by the Superintendent.

(3) A child care program specified in paragraph (1) that is physically closed pursuant to subparagraph (B) or (C) of paragraph (1) due to the COVID-19 pandemic, but funded to be operational, shall provide distance learning services as specified by the Superintendent. A contractor specified in paragraph (1) shall submit a distance learning plan to the department pursuant to guidance from the Superintendent.

CHAPTER 1.1. Online Portal for Child Care and Development Services

10216. (a) It is the intent of the Legislature in adopting this chapter that every family in California have access to current and robust information regarding the state's vast array of child care and development services through a publicly available online portal hosted and maintained by the department that includes, among other things, program and eligibility information, the opportunity to connect with resource and referral agencies and providers, the ability to use an online eligibility screening tool in order to assess eligibility for services, a way to link to local child care resource and referral agencies and alternative payment programs for additional assistance in selecting and assessing child care, and access to placement on waiting lists for local subsidized child care programs.

(b) On or before June 30, 2022, the department shall develop and post on the department's Internet Web site, for use by the general public, an online portal for California's comprehensive child care and development services.

(c) (1) In planning for future enhancements to the online portal, the Superintendent of Public Instruction shall convene, on or before June 30, 2019, a workgroup made up of stakeholders, including, but not limited to, representatives of child care resource

and referral programs, alternative payment programs, contracted center-based programs, First 5 county commissions, county offices of education, school-based providers, private center-based care providers, and family child care homes. This workgroup shall, on or before June 30, 2020, evaluate, and provide recommendations to the Superintendent of Public Instruction on any necessary modifications or improvements to the online portal to ensure its improved effectiveness, including the consideration of possible models for, and plans for inclusion in the online portal of, components, including, but not limited to, both of the following:

(A) Components to link parents to local child care resource and referral agencies and alternative payment programs for additional assistance in selecting and assessing child care and to place parents on waiting lists for local subsidized child care programs for which subsidized slots are not readily available.

(B) An online eligibility screening tool used to assess eligibility for services.

(2) (A) On or before January 1, 2021, the Superintendent of Public Instruction shall submit to the appropriate committees of the Legislature a comprehensive plan for implementing the recommendations of the workgroup and a report proposing plans for enhancements to the online portal, based on recommendations received from the workgroup developed pursuant to paragraph (1), including the components described in subparagraphs (A) and (B) of paragraph (1).

(B) The Superintendent of Public Instruction may contract with an outside entity for purposes of completing the report required pursuant to subparagraph (A).

(C) Pursuant to Section 10231.5 of the Government Code, the requirement for submitting a report imposed by this paragraph is inoperative on January 1, 2025.

(d) The requirements of this section are subject to the availability of public or private funding for the purposes of this section. The department may accept grants or in-kind support from any source, public or private, to help perform the requirements of this section.

CHAPTER 2. Resource and Referral Programs

10217. Funds appropriated for the purpose of this chapter may be used for child care resource and referral programs which may be operated by public or private nonprofit entities.

10218. It is the intent of the Legislature that one hundred eighty thousand dollars (\$180,000) be appropriated each fiscal year for allocation to child care and development resource and referral agencies operated by local educational agencies for the purpose of the child care resources and referral program set forth in this chapter.

10219. (a) For purposes of this chapter, 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 child care homes, public and private child 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 their 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 department's 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 10486 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, 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 their 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. 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 chapter 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 chapter shall, within two business days of receiving notice, notify all entities, operating a program under Chapter 3 (commencing with Section 10225) and Chapter 21 (commencing with Section 10370) 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.

10220. (a) In addition to the services described in Section 10219, a child care resource and referral program, established to serve a defined geographic area, may provide short-term respite child care. "Short-term respite care," for purposes of this chapter, means temporary child care services to do any of the following:

(1) Provide services to families identified and referred by child protective agencies.

(2) Relieve the stress caused by child abuse, neglect, or exploitation, or the risk of abuse, neglect, or exploitation.

(3) Assist parents who, because of serious illness or injury, homelessness, or family crisis, including temporary absence from the home because of illness or injury, would be unable without assistance to provide the normal care and nurture expected of parents.

(4) Provide temporary relief to parents from the care of children with exceptional needs.

(b) Pursuant to the delivery of short-term respite child care services, priority shall be given for the provision of services to families identified and referred by child protective agencies, to relieve the stress caused by child abuse, neglect, or exploitation, or the risks thereof, as described in paragraphs (1) and (2) of subdivision (a). Priority shall be given to assist parents and to provide temporary relief to parents, as described in paragraphs (3) and (4) of subdivision (a) to the extent that resources are available.

10221. All child care resource and referral services shall be provided in a manner which is responsive to the diverse cultural, linguistic, and economic needs of a defined geographic area of service.

10222. Child care resources and referral shall be provided to all persons requesting services and to all types of child care providers, regardless of income level or other eligibility criteria. In addition to the services prescribed by this section, child care resource and referral may provide a wide variety of parent and provider support and educational services.

10223. (a) There is hereby established a project known as the California Child Care Initiative Project. It is the intent of the Legislature to promote and foster the project in cooperation with private corporations and local governments. The objective of the project is to increase the availability of quality child care programs in the state.

(b) For purposes of this section, the California Child Care Initiative Project means a project to expand the role and functions of selected resource and referral agencies in activities including needs assessment, recruitment and screening of providers, technical assistance, and staff development and training, in order to aid communities in increasing their capability in the number of child care spaces available and the quality of child care services offered.

(c) The department shall allocate all state funds appropriated for the California Child Care Initiative Project for the purpose of making grants to those child care resource and referral agencies that have been selected as pilot sites for the project.

(d) The project shall ensure that each dollar of state funds allocated pursuant to subdivision (c) is matched by two dollars (\$2) from other sources, including private corporations, the federal government, or local governments.

(e) The grants to the sites made available by the project shall be comprised of a combination of state funds and other funds pursuant to subdivision (d).

(f) The department shall develop a database for the project.

10224. When making referrals, every agency operating both a direct service program and a resource and referral program shall provide at least four referrals, at least one of which shall be a provider over which the agency has no fiscal or operational control, as well as information to a family on the family's ability to choose a license exempt provider.

10224.5. (a) Federal funds allocated to local child care resource and referral agencies to support their continued participation in COVID-19 relief and recovery shall include, but not be limited to, strengthening their role in serving as intermediaries to develop new, and support existing, child care facilities and capacity, and to streamline and improve data collection processes in collaboration with the state for use by the agencies and by the state. Additional data reporting shall include gathering data from providers and updating information on child care provider status, capacity, and vacancy at least once a month. Data collected shall be provided to the department or its designee at least monthly. The department shall provide guidance regarding data collection and reporting requirements pursuant to this section.

(b) It is the intent of the Legislature to allocate funds for the purposes described in subdivision (a) annually, subject to an appropriation for this purpose.

CHAPTER 3. Alternative Payment Programs

10225. (a) Upon the approval of the department, funds appropriated for the purposes of this chapter may be used for alternative payment programs to allow for maximum parental choice. Various methods of reimbursement for parental costs for child care may be utilized. All payment arrangements shall conform to the eligibility criteria and the parent fee schedule established pursuant to Sections 10271 and 10280.

(b) To provide for maximum parental choice, alternative payment programs may include the following:

(1) A subsidy that follows the family from one provider to another within a given alternative payment program.

(2) Choices, whenever possible, among hours of service including before and after school, evenings, weekends, and split shifts.

(3) Child care and development services according to parental choice, including use of family child care homes, general center based programs, and other state-funded programs to the extent that those programs exist in the general service area and are in conformity with the purposes and applicable laws for which those programs were established, but excluding state preschool programs.

10225.5. (a) It is the intent of the Legislature that:

(1) Working families be supported with maximum access to child care and development programs that focus on stabilizing families and helping children realize greater education outcomes.

(2) Working families have access to the supportive services needed to ensure the healthy physical, cognitive, social, and emotional growth and development of children.

(3) The department, in providing funding to child care and development agencies, promote a contracting term for services that will allow parents the opportunity to choose the type of care most suited to their needs.

(4) Working families achieve and maintain their personal, social, economic, and emotional stability through an opportunity to attain financial stability through employment and parental development while maximizing the growth and development of their children, and through enhancing their parenting skills through participation in child care and development programs.

(b) The department shall contract with local contracting agencies for alternative payment programs so that services will be provided throughout the state. The department shall expand existing alternative payment programs and fund new alternative payment programs to the extent that funds are provided by the Legislature.

(c) Funding for the new programs pursuant to this section shall be allocated to programs that meet all of the following requirements:

(1) Applicants shall conform to the requirements of this chapter.

(2) Applicants shall demonstrate that an alternative payment child development program is an appropriate method of delivering child care services within the county or service area at the level requested in the application by doing either of the following:

(A) Demonstrating the availability of sufficient licensed or exempt child care providers.

(B) Providing a plan for the development of sufficient licensed child care providers working in cooperation with the local resource and referral agency.

(3) Applicants shall demonstrate the administrative viability of the alternative payment agency and its capacity to meet performance requirements.

(4) Existing alternative payment child development programs receiving funds for expansion into a new service area shall be funded at a documented rate appropriate to that community and may contract separately as appropriate.

(d) (1) Except as provided in paragraph (3), an alternative payment program shall have no less than 12 months, and no more than 24 months, to expend funds allocated to that program in any fiscal year.

(2) The department shall develop a process that provides alternative payment programs no less than 12 months, and no more than 24 months, to expend funds allocated to that program in any fiscal year.

(3) Paragraphs (1) and (2) do not apply to contracts relating to the administration of child care services described in Sections 10372 and 10372.5.

10226. (a) Alternative payment programs shall serve an identifiable geographic area approved by the department. The service area may be delineated by jurisdictional city or county boundaries, by natural geographic barriers, streets, roads, or zip codes.

(b) In the appropriation of expansion funds allocated in this section and in Assembly Bill 55 of the 1985–86 Regular Session of the Legislature, first priority shall be given to develop the alternative payment programs in unserved areas of the state.

(c) Second priority shall be given to expand current alternative payment programs. The department shall reserve funds to ensure that at least 50 percent of the moneys allotted for the alternative payment program in both Assembly Bill 55 of the 1985–86 Regular Session of the Legislature and this section shall be used to fund this second priority.

10226.5. To offer maximum support for parents and providers, alternative payment programs shall have access to resource and referral services. Funding shall be adequate to purchase care at the fee charged the private client for the same service as well as to provide locally designed support services for parents and providers. In communities where there are no resource and referral agencies, alternative payment programs shall provide the following support services:

(a) Information for parents to assist them in making informed choices.

(b) Professional and technical assistance and information for providers.

(c) Parenting information.

10227. Alternative payments may be made for services provided in licensed centers and family child care homes, for care provided in the child's home, and for other types of care which conform to applicable law.

10227.5. (a) Child care providers authorized to provide services pursuant to this chapter shall submit to the alternative payment program a monthly attendance record or invoice for each child who received services that, at a minimum, documents the dates and actual times care was provided each day, including the time the child entered and the time the child left care each day. The information shall be documented on a daily basis.

(b) The monthly attendance record or invoice shall, at a minimum, be signed by the parent or guardian of the child receiving services and the child care provider once per month to attest that the child's attendance is accurately reflected. The verification of attendance shall be made by signature at the end of each month of care and under penalty of perjury by both the parent or guardian of the child receiving services and the child care provider.

(c) The monthly attendance record or invoice shall be maintained by the child care provider in the unaltered original format in which it was created, which may be in paper form or electronic format.

(d) The alternative payment program shall accept the monthly attendance record or invoice as documentation of the hours of care provided if the attendance record or invoice includes adequate information documented on a daily basis, including, at a minimum, the dates and actual times care was provided each day, including the time the child entered and the time the child left care each day. The alternative payment program shall reimburse child care providers based upon the following criteria:

(1) The hours of service provided that are broadly consistent with certified hours of need.

(2) For families with variable schedules, the actual days and hours of attendance, up to the maximum certified hours.

(3) For license-exempt providers that provide part-time services, the actual days and hours of attendance, up to the maximum certified hours.

(e) For purposes of reimbursement to providers through an alternative payment program, contractors shall not be required to track absences.

(f) For purposes of this section, a monthly attendance record or invoice is defined as documentation that includes, at a minimum, the name of the child receiving services, the dates and actual times care was provided each day, including the time the child entered and the time the child left care each day, that is signed under penalty of perjury by both the parent or guardian and the child care provider, attesting that the information provided is accurate.

10228. (a) Payments made by alternative payment programs shall not exceed the applicable market rate ceiling. Alternative payment programs may expend more than the standard reimbursement rate for a particular child. However, the aggregate payments for services purchased by the agency during the contract year shall not exceed the assigned reimbursable amount as established by the contract for the year. No agency may make payments in excess of the rate charged to full-cost families. This section does not preclude alternative payment programs from using the average daily enrollment adjustment factor for children with exceptional needs as provided in Section 10281.5.

(b) Alternative payment programs shall reimburse licensed child care providers in accordance with a biennial market rate survey pursuant to Section 10436, at a rate not to exceed the ceilings established pursuant to Section 10374.5.

(c) An alternative payment program shall reimburse a licensed provider for child care of a subsidized child based on the rate charged by the provider to nonsubsidized families, if any, for the same services, or the rates established by the provider for prospective nonsubsidized families. A licensed child care provider shall submit to the alternative payment program a copy of the provider's rate sheet listing the rates charged, and the provider's discount or scholarship policies, if any, along with a statement signed by the provider confirming that the rates charged for a subsidized child are equal to or less than the rates charged for a nonsubsidized child.

(d) An alternative payment program shall maintain a copy of the rate sheet and the confirmation statement.

(e) A licensed child care provider shall submit to the local resource and referral agency a copy of the provider's rate sheet listing rates charged, and the provider's discount or scholarship policies, if any, and shall self-certify that the information is correct.

(f) Each licensed child care provider may alter rate levels for subsidized children, as needed, and shall provide the alternative payment program and resource and referral agency with the updated information pursuant to subdivisions (c) and (e), to reflect any changes. Updated rates shall be effective within 60 days of submission of the updated information pursuant to subdivisions (c) and (e).

(g) A licensed child care provider shall post in a prominent location adjacent to the provider's license at the child care facility the provider's rates and discounts or scholarship policies, if any.

(h) An alternative payment program shall verify provider rates no less frequently than once a year by randomly selecting 10 percent of licensed child care providers serving subsidized families. The purpose of this verification process is to confirm that rates reported to the alternative payment programs reasonably correspond to those reported to the resource and referral agency and the rates actually charged to nonsubsidized families for equivalent levels of services. It is the intent of the Legislature that the privacy of nonsubsidized families shall be protected in implementing this subdivision.

(i) The department shall develop regulations for addressing discrepancies in the provider rate levels identified through the rate verification process in subdivision (h).

10228.1. Out of funds appropriated in accordance with paragraph (2) of subdivision (b) of Section 10214 for alternative payment programs, the department shall reallocate funds as necessary to reimburse alternative payment programs, excluding programs operating pursuant to Chapter 21 (commencing with Section 10370), for actual and allowable costs incurred for additional services. An alternative payment program may apply for reimbursement of up to 3 percent of the contract amount, or for a greater amount subject to the discretion of the department based on the availability of funds. The department shall approve or deny applications submitted pursuant to this section, but shall not consider applications received after September 30 of the current calendar year. The department shall distribute reimbursement funds for each approved application within 90 days of receipt of the application if it was filed between May 1 and July 20, inclusive, of the current calendar year. Applications received after July 20 are not subject to the 90-day requirement for the distribution of funds. If requests for reimbursement pursuant to this section

exceed available funds, the department shall assign priority for reimbursement according to the order in which it receives applications. Funds received by an alternative payment program pursuant to this section that are not substantiated by the program's annual audit shall be returned to the department.

10229. The reimbursement for alternative payment programs shall include the cost of child care paid to child care providers plus the administrative and support services costs of the alternative payment program. The total cost for administration and support services shall not exceed an amount equal to 17.5 percent of the total contract amount. The administrative costs shall not exceed the costs allowable for administration under federal requirements.

10229.5. The audits for such agencies shall include, but not be limited to, a sampling of the evidence of fees charged to, and paid by, families of nonsubsidized children, the daily enrollment of subsidized children, the number of days of service provided to subsidized children, the assessment and collection of parent fees, and the availability of support services to subsidized children and their families as needed pursuant to the terms of the contract.

10230. When making referrals, every agency operating both a direct service program and an alternative payment program shall provide at least four referrals, at least one of which shall be a provider over which the agency has no fiscal or operational control, as well as information to a family on the family's ability to choose a license exempt provider.

10230.5. (a) When making referrals, every program operating pursuant to this chapter shall provide information to any person who requests a child care referral of their 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 department's Community Care Licensing Division.

(b) A written or oral advisement in substantially the following form will comply with the requirements of subdivision (a):

"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."

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

(d) A program operating pursuant to this chapter shall, within two business days of being notified of a revocation or a temporary suspension order for a licensed child day care facility, do both of the following:

(1) Terminate payment to the facility.

(2) Notify each parent and the facility in writing that payment has been terminated and the reason for the termination.

(e) A program operating pursuant to this chapter shall, upon being notified that a licensed child day care facility has been placed on probation, provide written notice to each parent utilizing the facility that the facility has been placed on probation and that the parent has the option of selecting a different child day care provider or remaining with the facility without risk of subsidy payments to the provider being terminated. The Legislature urges each agency operating pursuant to this section to provide the written notice required by this subdivision in the primary language of the parent, to the extent feasible.

10231. (a) To the extent that funding is made available for this purpose through the annual Budget Act, the alternative payment agency in each county shall design, maintain, and administer a system to consolidate local child care waiting lists so as to establish a countywide centralized eligibility list. In those counties with more than one alternative payment agency, the agency that also administers the resource and referral program shall have the responsibility of developing, maintaining, and administering the countywide centralized eligibility list. In those counties with more than one alternative payment agency and more than one resource and referral program, the department shall establish a process to select the agency to develop, maintain, and administer the countywide centralized eligibility list.

(b) Notwithstanding subdivision (a), in those counties in which a countywide centralized eligibility list exists the entity administering that list may receive funding, instead of the entity specified under subdivision (a).

(c) Each centralized eligibility list shall include all of the following:

(1) Family characteristics, including ZIP Code of residence, ZIP Code of employment, monthly income, and size.

(2) Child characteristics, including birth date and whether the child has special needs.

(3) Service characteristics, including reason for need, whether full-time or part-time service is requested, and whether after hours or weekend care is requested.

(d) Information collected for the centralized eligibility list shall be reported to the department on an annual basis on the date and in the manner determined by the department.

(e) (1) To be eligible to enter into an agreement with the department to provide subsidized child care, a contractor shall participate in and use the centralized eligibility list.

(2) A contractor with a campus child care and development program operating pursuant to Section 66060 of the Education Code, migrant child care and development program operating on a seasonal basis pursuant to Section 10235, or program serving children with severe disabilities pursuant to subdivision (d) of Section 10260 and who has a local site waiting list shall submit eligibility list information to the centralized eligibility list administrator for any parent seeking subsidized child care for whom these programs are not able to provide child care and development services. A child care and development contractor or program described in this paragraph may utilize any waiting lists developed at its local site to fill vacancies for its specific population. Families enrolled from a local site waiting list shall be enrolled pursuant to Section 10271.

10231.5. (a) (1) On or before July 1, 2019, an alternative payment program shall establish a program of electronic banking for payments made to licensed or license-exempt child care providers that have a contract with that alternative payment program, including, but not limited to, direct deposit. A child care provider may choose to receive payments via electronic banking at the child care provider's option. The child care provider may, but is not required to, authorize payment to be directly deposited by an electronic fund transfer into the child care provider's account at the financial institution of their choice.

(2) Nothing in this subdivision shall preclude an alternative payment program that has an electronic banking program in place before the effective date of this subdivision from continuing to require a child care provider, including child care centers and family child care homes, to accept direct deposit or another form of electronic payment after the effective date of this subdivision.

(b) An alternative payment program shall include a description of the payment to the child care provider, by child served and month of service covered by the payment.

10232. (a) Alternative payment programs and providers operating or providing services pursuant to this chapter may maintain records electronically, in compliance with state and federal standards, as determined by the department. Any conversion from a paper record to an electronic format, as well as the storage of the electronic record, shall comply with the minimum standards described in Section 12168.7 of the Government Code and the standards for trustworthy electronic document or record preservation described in Chapter 15 (commencing with Section 22620.1) of Division 7 of Title 2 of the California Code of Regulations.

(b) The records shall be retained by each contractor for at least five years, or, where an audit has been requested by a state agency, until the date the audit is resolved, whichever is longer.

(c) This section does not require an alternative payment program or provider to create records electronically.

10232.5. Alternative payment programs and providers operating or providing services pursuant to this chapter may use a digital signature that complies with state and federal standards, as determined by the department, that may be a marking that is either computer generated or produced by electronic means and is intended by the signatory to have the same effect as a handwritten signature. The use of a digital signature shall have the same force and effect as the use of a manual signature if the requirements for digital signatures and their acceptable technology, as provided in Section 16.5 of the Government Code and in Chapter 10 (commencing with Section 22000) of Division 7 of Title 2 of the California Code of Regulations, are satisfied.

10233. Alternative payment programs and providers operating or providing services pursuant to this chapter may use digital forms to allow families to apply for services, if those forms comply with state and federal standards.

10233.5. (a) Commencing July 1, 2020, alternative payment programs shall provide notice to a child care provider of a change in reimbursement amounts for child care services, a change in the hours of care, rates, or schedules, an increase or decrease in parent fees, or a termination of services, including, but not limited to, a family's change in provider. For purposes of this section, the notice shall occur either electronically, if requested by the child care provider, or via the United States Postal Service. The alternative payment program shall provide the notice, as well as the effective date of any change described above, on the same day a notice of action is issued to a family.

(b) The notification shall not be deemed a violation of the parent's confidentiality but as a method to ensure the proper administration of subsidy funds.

10234. An alternative payment agency, including, but not limited to, an alternative payment agency for migrant child care and development programs established pursuant to Chapter 6 (commencing with Section 10235), shall provide to the department, on a monthly basis, data about child care caseload in the alternative payment program established pursuant to this chapter and migrant child care and development programs established pursuant to Chapter 6 (commencing with Section 10235). This data shall include county-by-county caseload, expenditures, unit costs, family fees, and other key variables requested by the department to determine any additional state allocations to these programs and for purposes of emergency response.

CHAPTER 6. Migrant Child Care and Development Programs

10235. The department shall administer all migrant child care and development programs. In addition, the department shall support and encourage the state-level coordination of all agencies that offer services to migrant children and their families and state-level coordination of existing health funds for migrants.

10236. (a) For the purpose of this chapter, a “migrant agricultural worker family” means a family that has earned at least 50 percent of its total gross income from employment in fishing, agriculture, or agriculturally related work during the 12-month period immediately preceding the date of application for child care and development services.

(b) Children of migrant agricultural worker families shall be enrolled in child development programs on the basis of the following priorities:

(1) The family moves from place to place.

(2) The family has qualified under paragraph (1) within the past five years and is currently dependent for its income on agricultural employment, but is currently settled near agricultural areas.

(3) The family resides in a rural agricultural area and is dependent upon seasonal agricultural work.

(4) Eligibility and priority for services for the federally funded Migrant Child Development Program shall be in accordance with the applicable federal regulations.

10237. The department shall develop appropriate migrant child care and development programs, quality indicators, including those prescribed in subdivisions (a) to (h), inclusive, and (k) to (m), inclusive, of Section 10208, and the following:

(a) Social services.

(1) Bilingual liaison between migrant parents and the center or family child care home, or both.

(2) Liaison between the agency and the relevant community agencies and organizations, including health and social services.

(3) Identification and documentation of family needs and followup referrals as appropriate.

(b) Staffing.

(1) Bilingual health personnel shall be available to each program site of a migrant child care and development agency.

(2) Professional and nonprofessional staff shall reflect the linguistic and cultural background of the children being served.

(3) Whenever possible, migrants will be recruited, trained, and hired in child care and development programs. Documentation of training and career ladder opportunities and of recruitment and hiring efforts shall be provided to the department. Staff training shall include principles and practices of child care and development for the age groups of children being served.

(c) Health services in migrant child care and development programs shall include health and dental screening and followup treatment. Health records for all migrant children shall follow the child.

10238. (a) Cost for migrant programs may exceed the standard reimbursement rate established by the department. In no case shall the reimbursement exceed the cost of the program. State-funded programs may be eligible for Chapter I federal funds to supplement state funding. These funds shall not be contingent upon the provision of additional child days or enrollment.

(b) The department shall annually reimburse seasonal migrant child care and development agencies for approvable startup and closedown costs. Reimbursement for both startup and closedown costs shall not exceed 15 percent of each agency's total contract amount.

(c) Seasonal migrant child care and development agencies shall submit reimbursement claims for startup costs with their first monthly reports, and reimbursement claims for closedown costs with their final reports.

CHAPTER 7. General Child Care and Development Programs

10240. The department, with funds appropriated for this purpose, shall administer general child care and development programs. General child care and development programs shall include:

- (a) Age and developmentally appropriate activities for children.
- (b) Supervision.
- (c) Parenting education and parent involvement.
- (d) Social services that include, but are not limited to, identification of child and family needs and referral to appropriate agencies.
- (e) Health services.
- (f) Nutrition.
- (g) Training and career ladder opportunities, documentation of which shall be provided to the department.

10241. Programs operated pursuant to this part may be designed to meet child-related needs identified by parents or guardians which may include, but are not limited to, the following:

- (a) Care for schoolage children during nonschool hours.
- (b) Weekend care.
- (c) Night shift care.
- (d) Worksite care.
- (e) Temporary emergency child care.
- (f) Child care for ill children.

10242. (a) (1) Any entity operating child care and development programs funded pursuant to this chapter that provide direct services to children at two or more sites, including through more than one contract or subcontract funded pursuant to this chapter, shall employ a program director.

(2) Programs providing direct services to children, for the purposes of this section, are general child care and development programs pursuant to Chapter 7 (commencing with Section 10240), migrant child care and development programs pursuant to Chapter 6 (commencing with Section 10235), child care and development services for children with special needs programs pursuant to Chapter 9 (commencing with Section 10260), and any of these programs operated through family child care homes.

(b) (1) For purposes of this section, the following definitions shall apply:

(A) "Administrative responsibility" means awareness of the financial and business circumstances of the program, and, in appropriate cases, supervision of administrative and support personnel and the knowledge and authority to direct or modify administrative practices and procedures to ensure compliance to administrative and financial standards imposed by law.

(B) "Program director" means a person who, regardless of their title, has programmatic and administrative responsibility for a child care and development program that provides direct services to children at two or more sites.

(C) "Programmatic responsibility" means overall supervision of curriculum and instructional staff, including instructional aides, and the knowledge and authority to direct or modify program practices and procedures to ensure compliance to applicable quality and health and safety standards imposed by law.

(2) Administrative and programmatic responsibility also includes the responsibility to act as the representative for the child development program to the department. With respect to programs operated through family child care homes, administrative and programmatic responsibility includes ensuring that quality services are provided in the family child care homes.

(c) The program director also may serve as the site supervisor at one of the sites, provided that the program director both fulfills the duties of a "child care center director," as set forth in Section 101215.1 of Title 22 of the California Code of Regulations, and meets the qualifications for a site supervisor as set forth in subdivision (aa) of Section 10213.5.

(d) The department may waive the qualifications for program director described in Sections 10380.5 and 10381.5 upon a finding of one of the following circumstances:

(1) The applicant is making satisfactory progress toward securing a permit issued by the Commission on Teacher Credentialing authorizing supervision of a child care and development program operating in two or more sites or fulfilling the qualifications for program directors in severely disabled programs, as specified in Section 10381.5.

(2) The place of employment is so remote from institutions offering the necessary coursework as to make continuing education impracticable and the contractor has made a diligent search but has been unable to hire a more qualified applicant.

(e) The department, upon good cause, may by rule identify and apply grounds in addition to those specified in subdivision (d) for granting a waiver of the qualifications for program director.

10243. The department shall annually monitor funding used in general child care and development programs for infants and toddlers and shall annually report to the Department of Finance and to the Legislature a statewide summary identifying the estimated funding used for infants and toddlers, and the number of preschool age children receiving part-day preschool and wraparound child care services. The annual report shall include a comparison to the prior year on a county-by-county basis.

CHAPTER 8. Family Child Care Home Education Networks

10250. (a) The department, with funds appropriated for this purpose, shall contract with entities organized under law to operate family child care home education networks that support educational objectives for children in licensed family child care homes that serve families eligible for subsidized child care.

(b) Family child care home education network programs shall include, but are not limited to, all of the following:

(1) Age and developmentally appropriate activities for children.

(2) Care and supervision of children.

(3) Parenting education.

(4) Identification of child and family social or health needs and referral of the child or the family to the appropriate social or health services.

(5) Nutrition.

(6) Training and support for the family child care home education network's family child care providers and staff.

(7) Assessment of each family child care provider to ensure that services are of high quality and are educationally and developmentally appropriate.

(8) Developmental profiles for children enrolled in the program.

(9) Parent involvement.

10251. Each family child care home education network contractor, in addition to the requirements set forth in subdivision (b) of Section 10250, shall do all of the following:

(a) Recruit, enroll, and certify eligible families.

(b) Recruit, train, support, and reimburse licensed family child care providers.

(c) Collect family fees in accordance with contract requirements.

(d) Assess, according to standards set by the department, the educational quality of the program offered in each family child care home in the network.

(e) Assure that a developmental profile is completed for each child based upon observations of network staff, in consultation with the provider.

(f) Monitor requirements, including quality standards, and conduct periodic assessments of program quality in each family child care home affiliated with the network.

(g) Ensure that basic health and nutrition requirements are met.

(h) Provide data and reporting in accordance with contract requirements.

10252. This chapter does not impose any new requirement on a family child care home education network, nor does this chapter require any increase in reimbursement rates. This chapter does not require the department to modify its contracting procedure that was in effect for a family child care home education network prior to January 1, 2005.

CHAPTER 9. Child Care and Development Services for Children with Special Needs

10260. (a) The department shall ensure that eligible children with exceptional needs are given equal access to all child care and development programs. Available federal and state funds for children with exceptional needs above the standard reimbursement amount shall be used to assist agencies in developing and supporting appropriate programs for these children.

(b) To provide children with exceptional needs with additional access to child care and development programs, the department shall establish alternate appropriate placements, such as self-contained programs and innovative programs using the least restrictive environment. These programs shall be started as expansion funds become available and shall be expanded throughout the implementation of the plan. The department shall utilize existing program models and input from program specialists to develop new program criteria and guidelines for programs serving children with exceptional needs. These programs may serve children with exceptional needs up to 21 years of age.

(c) Any child with exceptional needs served in child care and development programs shall be afforded all rights and protections guaranteed in state and federal laws and regulations for individuals with exceptional needs.

(d) Notwithstanding any other provision of this chapter, the department may develop unique reimbursement rates for, and make reimbursements to, child care and development programs that received state funding for the 1980–81 fiscal year and serve severely disabled children, as defined in subdivision (y) of Section 10213.5, when all of the following conditions exist:

- (1) Eligibility for enrollment of a severely disabled child in the program is the sole basis of the child's need for service.
- (2) Services are provided to severely disabled children from birth to 21 years of age.
- (3) No fees are charged to the parents of the severely disabled children receiving the services.

(e) The department shall include child care and development providers in all personnel development for persons providing services for children with exceptional needs.

10261. A contractor providing services pursuant to a general child care contract, a campus child care contract, a migrant child care contract, or an alternative payment child care contract is subject to the requirements of the Americans with Disabilities Act (42 U.S.C. Sec. 12101, et seq.).

10262. (a) All child care and development programs shall include plans or programs, or both, for the care of the children when they are sick. These plans shall be age appropriate and parents shall be included in the planning and evaluation. The department shall disseminate information regarding effective sick child care models to all child care and development programs.

(b) Nothing in this chapter shall be construed to allow the practice of medicine without a license.

10263. (a) The department and the local county welfare department shall enter into contracts which establish the procedures for serving and referring a child in need of care as part of the provision of protective services pursuant to Chapter 5 (commencing with Section 16500) of Part 4. The department may contract with another appropriate community agency which provides services or referrals, or both, for the prevention or intervention of child abuse or neglect if no such contract for child care services exists between the department and the county welfare department.

(b) The contracts shall specify the resource and referral program or operating agency or agencies providing child care and development pursuant to this chapter in the county that the local contracting agency shall contact to secure care for a child needing protective services. If an operating agency is unable to enroll the child, the local contracting agency described in subdivision (a) with the assistance of the providers of local resources and referral services shall locate services for the family. Payments for such located services in the absence of other funds shall be made by the local contracting agency.

(c) The need for child care funded pursuant to this section shall be reviewed by the local contracting agency no less than every three months.

CHAPTER 10. Administration

10265. (a) The Legislature finds and declares that the effectiveness of child care and development programs can be increased through improved state administration, technical assistance to provider agencies, and monitoring.

(b) It is the intent of the Legislature:

- (1) That the department develop clear, consistent, and appropriate regulations for child care and development programs to replace policy guidelines which are not subject to the public hearing process, often inconsistent, and without the force of law.
- (2) That the department make better use of staff with direct field experience in child development programs.
- (3) That better criteria be developed for the awarding, evaluating, and renewal of child care and development contracts.
- (4) That improvements be made in the method of reimbursing child care and development program providers.
- (5) That increased effort be made to provide program operators with technical assistance in meeting their contractual obligations.

10265.5. The department shall do all of the following:

- (a) Establish a toll-free number for programs which receive funds from the state department pursuant to this chapter and which are in need of technical assistance to the extent that funds are made available for the purposes of this subdivision by Senate Bill 1674 of the 1984 portion of the 1983–84 Regular Session. This subdivision shall become inoperative on and after January 1, 1986.
- (b) Gather information and act as a central clearinghouse on parenting materials.
- (c) Develop procedures for annually evaluating the field services and the program support which is to be provided to the contracting agencies.

10266. The department shall do all of the following in administering the provisions of this chapter:

- (a) Apply sanctions against contracting agencies that have serious licensing violations, as defined and reported by the department pursuant to Section 1597.11 of the Health and Safety Code.
- (b) Except in the case of immediate terminations taken pursuant to Sections 10398 and 10399, provide 90 days' written notification to any contractor whose agreement is being terminated. Notwithstanding Chapter 23 (commencing with Section 10390), the department shall establish procedures for placing a contractor whose agreement is being terminated into receivership. Action to initiate receivership shall be at the discretion of the department, and may be taken against a contractor whose agreement is being terminated either immediately or within 90 days. The receiver shall not be a department employee. The receiver shall have sufficient experience in the administration of child care and development programs to ensure compliance with the terms of the receivership.

10266.5. (a) No person employed by the department in a policymaking position in the area of child care and development programs shall serve as a member of the board of directors, advisory council, or advisory committee for any agency receiving funds pursuant to this chapter. The provisions of this subdivision shall not apply to any person appointed prior to January 1, 1985.

(b) No retired, dismissed, separated, or formerly employed person of the state department employed under the State Civil Service or otherwise appointed to serve in the state department may enter into a contract pursuant to Section 10268.5 in which the person engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decisionmaking process relevant to the contract while employed in any capacity by the department. The prohibition contained in this subdivision shall apply to the person only during the two-year period beginning on the date the person left state employment.

(c) For a period of 12 months following the date of their retirement, dismissal, or separation from state service, no person employed under State Civil Service or otherwise appointed to serve in the state department may enter into a contract pursuant to Section 10268.5 if they were employed by the department in a policymaking position in the area of child care and development programs within the 12-month period prior to their retirement, dismissal, or separation.

(d) For a period of 12 months following the date of their retirement, dismissal, or separation from state service, no person employed under State Civil Service or otherwise appointed to serve in the department may be employed by a contractor pursuant to Section 10268.5 if they engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decisionmaking process relevant to the contract while employed in any capacity by the department.

(e) The provisions of subdivisions (b), (c), and (d) shall not apply to any persons who were already in the situations described by these subdivisions prior to January 1, 1985.

10267. The department shall develop and coordinate resources, provide technical assistance, monitor program implementation, generate maximum federal reimbursement wherever possible for the federally eligible children, and facilitate alternative funding for those children for whom federal funds are not available.

10267.5. (a) The department shall adopt rules and regulations pursuant to this chapter. The rules and regulations shall include, but not be limited to, provisions that do all of the following:

(1) Provide clear guidelines for the selection of agencies when child development contracts are let, including, but not limited to, specification that any agency headquartered in the proposed service area on January 1, 1985, will be given priority for a new contract in that area, unless the department makes a written determination that (A) the agency is not able to deliver the level of services specified in the request for proposal, or (B) the department has notified the agency that it is not in compliance with the terms of its contract.

(2) Provide for a contract monitoring system to ensure that agencies expend funds received pursuant to this chapter in accordance with the provisions of their contracts.

(3) Specify adequate standards of agency performance.

(4) Establish reporting requirements for service reports, including provisions for varying the frequency with which these reports are to be submitted on the basis of agency performance.

(5) Specify standards for withholding payments to agencies that fail to submit required fiscal reports.

(6) Set forth standards for department site visits to contracting agencies, including, but not limited to, specification as to the purpose of the visits, the personnel that will perform these visits, and the frequency of these visits which shall be as frequently as staff and budget resources permit.

(7) Authorize the department to develop a process that requires every contracting agency to recompet for continued funding no less frequently than every five years.

(b) For purposes of expediting the implementation of state or federal legislation to expand child care services, the department may waive (1) the regulations regarding the point qualifications for, and the process and scoring of, interviews of contract applicants pursuant to Section 18002 of Title 5 of the California Code of Regulations, or (2) the time limitations for scheduling and notification of appeal hearings and their results pursuant to Section 18003 of Title 5 of the California Code of Regulations. The department shall ensure that the appeal hearings provided for in Section 18003 of Title 5 of the California Code of Regulations are conducted in a timely manner.

(c) (1) Child care and development programs operated under contract from funds made available pursuant to the federal Child Care and Development Fund shall be administered according to Chapter 19 (commencing with Section 17906) of Division 1 of Title 5 of the California Code of Regulations, unless provisions of these regulations conflict with federal regulations. If state and federal regulations conflict, the federal regulations shall apply unless a waiver of federal regulations is authorized.

(2) For purposes of this section, "Child Care and Development Fund" has the same meaning as in Section 98.2 of Title 45 of the Code of Federal Regulations.

10268. For purposes of meeting state and federal reporting requirements and for the effective administration of child care and development programs, the department is authorized to require the collection and submission of social security numbers of heads of households, and other information as required, from public and private agencies contracting with the department pursuant to this part, including local educational agencies.

10268.5. Notwithstanding Section 14616 of the Government Code, the department may enter into and execute local contractual agreements with any public or private entity or agency for the delivery of child care and development services or the furnishing of property, facilities, personnel, supplies, equipment, and administrative services related to the delivery of child care development services. Prior to entering into or executing a local agreement, the department shall obtain annual approval from the Department of General Services and the Department of Finance as to the form and general content thereof. The agreements may only be made for the delivery of child care and development services, or the furnishing of property, facilities, personnel, supplies, equipment, or administrative services related thereto, which conform with the provisions of this chapter.

10269. Contractors operating or providing services pursuant to this chapter may do both of the following:

(a) (1) Maintain records electronically, in compliance with state and federal standards, as determined by the department. A conversion from a paper record to an electronic format, as well as the storage of the electronic record, shall comply with the minimum standards described in Section 12168.7 of the Government Code and the standards for trustworthy electronic document or record preservation described in Chapter 15 (commencing with Section 22620.1) of Division 7 of Title 2 of the California Code of Regulations.

(2) The records shall be retained by each contractor for at least five years, or, where an audit has been requested by a state agency, until the date the audit is resolved, whichever is longer.

(3) This subdivision does not require a contractor to create records electronically.

(b) (1) Use a digital signature that complies with state and federal standards, as determined by the department, that may be a marking that is either computer generated or produced by electronic means and is intended by the signatory to have the same effect as a handwritten signature.

(2) The use of a digital signature shall have the same force and effect as the use of a manual signature if the requirements for the digital signatures and their acceptable technology, as provided in Section 16.5 of the Government Code and in Chapter 10 (commencing with Section 22000) of Division 7 of Title 2 of the California Code of Regulations, are satisfied.

10269.5. Contractors operating or providing services pursuant to this chapter may use digital forms to allow families to apply for services, if those forms comply with state and federal standards.

10270. On and after the date on which the department determines that the Financial Information System for California (Fi\$Cal Project) has been implemented within the department, at the request of a contractor, for a contract executed by the department pursuant to Section 10268.5, the department shall request the Controller to make a payment via direct deposit by electronic funds transfer through the Fi\$Cal Project into the contractor's account at the financial institution of the contractor's choice.

10270.5. (a) In contract transfer situations in programs funded pursuant to this chapter, the department may grant a certificate of operation to child care and development facilities pursuant to this section.

(b) For purposes of maintaining continuity of services to children and receipt of state and federal child nutrition and child development funding, the department may grant a certificate of operation to any child care and development facility which meets all of the following conditions:

(1) A representative of the department has visited the facility and verified, in writing, to the department's licensing agency that the facility has no deficiencies at the time of granting the certificate of operation which would endanger the physical health, mental health, safety, or welfare of the children.

(2) Without a certificate of operation in lieu of a license from the department, the facility would be ineligible to receive state and federal child nutrition or child development funds.

(c) A facility issued a certificate of operation pursuant to this section shall be deemed to be operating under licensing standards for child care and development facilities specified by Chapters 3.4 (commencing with Section 1596.70), 3.5 (commencing with Section 1596.90), and 3.6 (commencing with Section 1597.30) of Division 2 of the Health and Safety Code and by Title 22 of the California Code of Regulations for the term specified on the certificate.

(d) A facility granted a certificate of operation shall submit a completed license application to the department within 15 working days of the issuance of the certificate of operation. Failure to meet this requirement will result in the cancellation of the certificate of operation. The certificate of operation shall expire upon the issuance or denial of a license by the department.

10271. (a) (1) The department 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 Chapter 21 (commencing with Section 10370), 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 department, 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, grants of public assistance recipients shall be counted as income.

(3) The department 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 the parent's or guardian's 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 department 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 department 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 department 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 10271.5, 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 department 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 the Education 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.

10271.5. (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 shall not be included as income for purposes of determining eligibility for child care under this chapter.

10272. (a) Notwithstanding any other law, effective July 1, 2011, the department shall reduce the maximum reimbursable amounts of the contracts for the Preschool Education Program, the General Child Care Program, the Migrant Day Care Program, the Alternative Payment Program, the CalWORKs Stage 3 Program, and the Allowance for Disabled Program by 11 percent or by whatever proportion is necessary to ensure that expenditures for these programs do not exceed the amounts appropriated for them, including any reductions made subsequent to the adoption of the annual Budget Act. The department may consider the contractor's performance or whether the contractor serves children in underserved areas as defined in subdivision (ag) of Section 10213.5 when determining contract reductions, provided that the aggregate reduction to each program specified in this subdivision is 11 percent or by whatever proportion is necessary to ensure that expenditures for these programs do not exceed the amounts appropriated for them, including any reductions made subsequent to the adoption of the annual Budget Act.

(b) Notwithstanding any other law, effective July 1, 2011, families shall be disenrolled from subsidized child care services, consistent with the priorities for services specified in subdivision (b) of Section 10271. Families shall be disenrolled in the following order:

(1) Families whose income exceeds 70 percent of the state median income (SMI) adjusted for family size, except for families whose children are receiving child protective services or are at risk of being neglected or abused.

(2) Families with the highest income below 70 percent of the SMI, in relation to family size.

(3) Families that have the same income and have been enrolled in child care services the longest.

(4) Families that have the same income and have a child with exceptional needs.

(5) Families whose children are receiving child protective services or are at risk of being neglected or abused, regardless of family income.

10272.5. (a) Notwithstanding any other law, and in addition to any reductions applied pursuant to Section 10272, effective July 1, 2012, the department shall reduce the maximum reimbursable amounts of the contracts for the General Child Care Program, the Migrant Day Care Program, the Alternative Payment Program, the CalWORKs Stage 3 Program, and the Allowance for Disabled Program by 8.7 percent or by whatever proportion is necessary to ensure that expenditures for these programs do not exceed the amounts appropriated for them, as adjusted for any reductions in appropriations made subsequent to the adoption of the annual Budget Act. The department may consider the contractor's performance or whether the contractor serves children in underserved areas as defined in subdivision (ag) of Section 10213.5 when determining contract reductions, provided that the aggregate reduction to each program specified in this subdivision is 8.7 percent or whatever proportion is necessary to ensure that expenditures for these programs do not exceed the amounts appropriated for them, as adjusted for any reductions in appropriations made subsequent to the adoption of the annual Budget Act.

(b) Notwithstanding any other law, effective July 1, 2012, families shall be disenrolled from subsidized child care services, consistent with the priorities for services specified in subdivision (b) of Section 10271. Families shall be disenrolled in the following order:

(1) Families with the highest income in relation to family size.

(2) Families that have the same income and have been enrolled in child care services the longest.

(3) Families that have the same income and have a child with exceptional needs.

(4) Families whose children are receiving child protective services or are at risk of being neglected or abused, regardless of family income.

10273. (a) The preferred placement for children who are 11 or 12 years of age and who are otherwise eligible for subsidized child care and development services shall be in a before or after school program.

(b) Children who are 11 or 12 years of age shall be eligible for subsidized child care services only for the portion of care needed that is not available in a before or after school program provided pursuant to Article 22.5 (commencing with Section 8482) of, or Article 22.6 (commencing with Section 8484.7) of, Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code. Contractors shall provide each family of an eligible 11 or 12 year old with the option of combining care provided in a before or after school program with subsidized child care in another setting, for those hours within a day when the before or after school program does not operate, in order to meet the child care needs of the family.

(c) Children who are 11 or 12 years of age, who are eligible for and who are receiving subsidized child care services, and for whom a before or after school program is not available, shall continue to receive subsidized child care services.

(d) If an 11 or 12-year-old child who is enrolled in a subsidized child development program becomes ineligible for subsidized child care under subdivision (b) and is disenrolled from the before or after school program, or if the before or after school program no longer meets the child care needs of the family, the child shall be given priority to return to the subsidized child care services upon the parent's notification of the contractor of the need for child care.

(e) This section does not apply to an 11 or 12 year old child with a disability, including a child with exceptional needs who has an individualized education program as required by the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.), Section 504 of the federal Rehabilitation Act of 1973 (29 U.S.C. Sec. 794), or Part 30 (commencing with Section 56000) of Division 4 of Title 2 of the Education Code.

(f) The savings generated each contract year by the implementation of the changes made to this section by the act amending this section during the 2005–06 Regular Session shall remain with each alternative payment program, child development center, or other contractor for the provision of child care services, except for care provided by programs pursuant to Chapter 21 (commencing with Section 10370).

10273.5. By July 1, 1981, and annually thereafter, the State Department of Health Care Services shall provide a mechanism for the delivery of health screening and followup services for children enrolled in child care and development programs for whom there are no appropriate health services accessible by referral.

10274. The department may waive or modify child development requirements in order to enable child development programs to serve combinations of eligible children in areas of low population. The child development programs for which the department may grant waivers shall include, but need not be limited to, migrant child care and development programs and general child care and development programs.

10274.5. The department may provide outreach services and technical assistance to new child care contracting agencies and to those providing child care during nontraditional times, in underserved geographic areas, and for children with special child care needs, including infants and toddlers under three years of age.

10275. (a) The department shall establish rules and regulations for the staffing of all center-based child care and development programs under contract with the department.

(1) Priority shall be given by the department to the employment of persons in child development programs with ethnic backgrounds which are similar to those of the child for whom child development services are provided.

(2) For purposes of staffing child care and development programs, the role of a teacher in child supervision means direct supervision of the children as well as supervision of aides and groups of children.

(3) Family child care homes shall operate pursuant to adult/child ratios prescribed in Chapter 7 (commencing with Section 86001) of Division 6 of Title 22 of the California Code of Regulations.

(b) Approval by the department of any ongoing or new programs seeking to operate under the ratios and standards established by the department under this chapter shall be based upon the following considerations:

(1) The type of facility in which care is being or is to be provided.

(2) The ability of the department to implement a funding source change.

(3) The proportion of nonsubsidized children enrolled or to be enrolled by the agency.

(4) The most cost-effective ratios possible for the type of services provided or to be provided by the agency.

(c) The department shall apply for waivers of federal requirements as are necessary to carry out this section.

10275.5. Until the department promulgates regulations for center-based programs establishing staffing ratios, the following staffing ratios shall apply:

(a) Infants, 0 to 2 years old—1:3 adult-child ratio, 1:18 teacher-child ratio.

(b) Infants and toddlers, 0 to 2 years old—1:4 adult-child ratio, 1:16 teacher-child ratio.

(c) Children 3 to 6 years old—1:8 adult-child ratio, 1:24 teacher-child ratio.

(d) Children 6 to 10 years old—1:14 adult-child ratio, 1:28 teacher-child ratio.

(e) Children 10 to 13 years old—1:18 adult-child ratio, 1:36 teacher-child ratio.

(f) If groups of children of varying ages are commingled, the teacher and adult ratios shall be proportionate and appropriate to the ages and groups of children.

CHAPTER 11. Reimbursement Rates

10280. (a) The department, in collaboration with the State Department of Education, shall implement a reimbursement system plan that establishes reasonable standards and assigned reimbursement rates, which vary with the length of the program year and the hours of service.

(1) Parent fees shall be used to pay reasonable and necessary costs for providing additional services.

(2) When establishing standards and assigned reimbursement rates, the department and the State Department of Education shall confer with applicant agencies.

(3) The reimbursement system, including standards and rates, shall be submitted to the Joint Legislative Budget Committee.

(4) The department may establish any regulations deemed advisable concerning conditions of service and hours of enrollment for children in the programs.

(b) Commencing July 1, 2021, the standard reimbursement rate shall be twelve thousand eight hundred eighty-eight dollars (\$12,888) and, commencing with the 2022–23 fiscal year, shall be increased by the cost-of-living adjustment granted by the Legislature annually pursuant to Section 42238.15 of the Education Code.

(c) (1) Commencing January 1, 2022, contractors who, as of December 31, 2021, received the standard reimbursement rate established in this section shall be reimbursed at the greater of the following:

(A) The 75th percentile of the 2018 regional market rate survey.

(B) The contract per-child reimbursement amount as of December 31, 2021.

(2) In accordance with federal requirements for Child Care Stabilization Grants appropriated pursuant to the federal American Rescue Plan Act of 2021 (Public Law 117-2), contractors shall provide information via a one-time application or survey in advance of receiving American Rescue Plan Act funds. The department shall specify the timeline and format in which this information shall be submitted, and information shall include, but not be limited to, all of the following:

(A) Address, including ZIP Code.

(B) Race and ethnicity.

(C) Gender.

(D) Whether the provider is open and available to provide child care services or closed due to the COVID-19 public health emergency.

(E) What types of federal relief funds have been received from the state.

(F) Use of federal relief funds received.

(G) Documentation that the provider met certifications as required by federal law.

(3) Rate increases shall be subject to federal usage limitations and federal and state program eligibility requirements.

10280.2. (a) (1) Consistent with the agreement, dated June 25, 2021, entered into by the Governor and Child Care Providers United - California, the state and Child Care Providers United - California shall establish a Joint Labor Management Committee to develop recommendations for a single reimbursement rate structure that addresses quality standards for equity and accessibility while supporting positive learning and developmental outcomes for children. The State Department of Social Services shall secure a contractor, in consultation with the Joint Labor Management Committee, to assist with the work to be completed pursuant to this subdivision.

(2) The Joint Labor Management Committee shall develop the recommendations described in paragraph (1) and shall present the recommendations to the Department of Finance no later than November 15, 2022, to inform the Governor's proposed budget for the 2023–24 fiscal year, which will be presented to the Legislature by January 10, 2023.

(3) To aid in these efforts related to rate reform and quality investments, the department may allocate up to twenty million dollars (\$20,000,000) of the funds described in subdivision (d) of Provision 5 of Item 6100-149-0890 of the Budget Act of 2021 (Ch. 32, Stats. 2021), as amended by Senate Bill 129 of the 2021–22 Regular Session, for the purposes of this subdivision. Within 30 days of securing a contractor, the department shall notify the Joint Legislative Budget Committee on the scope of work, and, within 60 days after the end of the contract period, shall provide the Joint Legislative Budget Committee with a report of all actual expenditures incurred.

(4) Contracts or grants awarded pursuant to this subdivision shall be exempt from the personal services contracting requirements of Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code. Contracts or grants awarded pursuant to this subdivision shall be exempt from the Public Contract Code and the State Contracting Manual, and shall not be subject to the approval of the Department of General Services.

(b) (1) The State Department of Social Services shall, in consultation with the State Department of Education, convene a working group separate from the Joint Labor Management Committee established pursuant to subdivision (a) to assess the methodology for establishing reimbursement rates and the existing quality standards for child care and development and preschool programs, including, but not limited to, licensing standards and the requirements in Subchapter 12 (commencing with Section 18270) of Chapter 19 of Division 1 of Title 5 of the California Code of Regulations, as that subchapter read on June 30, 2021, for equity and accessibility to all provider types and settings. This assessment shall be informed by evidence-based elements that best support child development and positive child outcomes. The workgroup shall include, but not be limited to, Child Care Providers United - California to represent family child care providers, as defined in paragraph (1) of subdivision (b) of Section 10421, teacher and

administrator representatives of state-funded center-based contractors for both preschool and infant-toddler settings, child development experts, parent representatives, a Head Start representative, an alternative payment program agency representative, and representatives from the administration, as determined necessary by the department.

(2) The assessment and any recommendations of the workgroup shall be research-based, account for the diversity of California's child care and development and early learning system, account for alignment across federal Head Start and state-subsidized programs, and be aligned with the experience and education of the child care workforce, as well as the environmental settings of child care and development programs. The workgroup shall, no later than August 15, 2022, provide recommendations, including, but not limited to, recommendations on how the State Department of Social Services should define child care workforce competencies and how these competencies would align with rate reform, to the Joint Labor Management Committee established pursuant to subdivision (a), the Department of Finance, and the Joint Legislative Budget Committee.

10281. (a) (1) For purposes of this section, "early childhood mental health consultation service" means a service benefiting an infant or toddler who is 0 to 36 months of age and is served in a general child care and development program pursuant to this chapter, or a child who is 0 to 5 years of age and is served in a family child care home education network setting funded by a general child care and development program pursuant to this chapter.

(2) For purposes of this section, "early childhood mental health consultation service" includes, but is not limited to, all of the following:

(A) Support to respond effectively to all children, with a focus on young children with disabilities, challenging behaviors, and other special needs.

(B) Assistance through individual site consultations, provision of resources, formulation of training plans, referrals, and other methods that address the unique needs of programs and providers.

(C) Aid to providers in developing the skills and tools needed to be successful as they support the development and early learning of all children, including observing environments, facilitating the development of action plans, and supporting site implementation of those plans.

(D) The development of strategies for addressing prevalent child mental health concerns, including internalizing problems, such as appearing withdrawn, and externalizing problems, such as exhibiting challenging behaviors.

(E) If a child exhibits persistent and serious challenging behaviors, support with the pursuit and documentation of reasonable steps to maintain the child's safe participation in the program, as described in Section 8222 of the Education Code.

(b) The cost to a provider agency of providing an early childhood mental health consultation service shall be reimbursable pursuant to Section 10281.5 if all of the following apply:

(1) The early childhood mental health consultation service is provided on a schedule of sufficient and consistent frequency to ensure that a mental health consultant is available to partner with staff and families in a timely and effective manner, as determined by the department.

(2) The early childhood mental health consultation service is supervised and provided by a licensed marriage and family therapist, a licensed clinical social worker, a licensed professional clinical counselor, a licensed psychologist, a licensed child and adolescent psychiatrist, or others as determined by the department. The supervisor shall have at least three years of experience working with children 0 to 5 years of age shall be adequately insured, shall have held their respective license for a minimum of two years, and shall be in full compliance with all continuing education requirements applicable to their profession.

(3) The early childhood mental health consultation service uses a relationship-based model emphasizing strengthening relationships among early childhood education providers, parents, children, and representatives of community systems and resources, and integrates reflective practice into the onsite consultation model.

10281.5. (a) In order to reflect the additional expense of serving children who meet any of the criteria outlined in subdivision (c), the provider agency's reported child days of enrollment for these children shall be multiplied by the adjustment factors listed below.

(b) The adjustment factors described in subdivision (c) shall apply to those programs for which assigned reimbursement rates are at or below the standard reimbursement rate. In addition, the adjustment factors shall apply to those programs for which assigned reimbursement rates are above the standard reimbursement rate, but the reimbursement rate, as adjusted, shall not exceed the adjusted standard reimbursement rate.

(c) Notwithstanding any other law, commencing January 1, 2019, the adjustment factors shall be as follows:

- (1) Prior to January 1, 2022, for infants who are 0 to 18 months of age and are served in a child care center or a family child care home, the adjustment factor shall be 2.44.
- (2) Prior to January 1, 2022, for toddlers who are 18 to 36 months of age and are served in a child care center or a family child care home, the adjustment factor shall be 1.8.
- (3) For children with exceptional needs who are 0 to 21 years of age the adjustment factor shall be 1.54.
- (4) For severely disabled children who are 0 to 21 years of age the adjustment factor shall be 1.93.
- (5) Prior to January 1, 2022, for children at risk of neglect, abuse, or exploitation who are 0 to 14 years of age the adjustment factor shall be 1.1.
- (6) Prior to January 1, 2022, for limited-English-speaking and non-English-speaking children who are two years of age through kindergarten age, the adjustment factor shall be 1.1.
- (7) For infants and toddlers who are 0 to 36 months of age and are served in general child care and development programs, or children who are 0 to 5 years of age and are served in a family child care home education network setting funded by a general child care and development program, where early childhood mental health consultation services are provided, pursuant to Section 10281, the adjustment factor shall be 1.05.

(d) Use of the adjustment factors shall not increase the provider agency's total annual allocation.

(e) (1) Days of enrollment for children who meet more than one of the criteria outlined in paragraphs (1) to (6), inclusive, of subdivision (c) shall not be reported under more than one of the categories specified in those paragraphs.

(2) Notwithstanding paragraph (1), for children for whom an adjustment factor is applied pursuant to any of paragraphs (1) to (6), inclusive, of subdivision (c), and who are additionally eligible for the adjustment factor established in paragraph (7) of subdivision (c), reported child days of enrollment shall be multiplied by the sum of the applicable adjustment factor under paragraphs (1) to (6), inclusive, of subdivision (c) and 0.05.

(f) The difference between the reimbursement resulting from the use of the adjustment factors outlined in subdivision (c) and the reimbursement that would otherwise be received by a provider in the absence of the adjustment factors shall be used for special and appropriate services for each child for whom an adjustment factor is claimed.

10282.5. (a) Notwithstanding the provisions of Section 10280, the assigned reimbursement rate of a center-based child care agency (a) contracting with the department, (b) operating under licensing standards for child care and development facilities specified by Section 1500 et seq. of the Health and Safety Code and by Title 22 of the California Administrative Code, and (c) with less than a majority of subsidized children enrolled in the facility, shall be equivalent to the fee paid for the same service by families of nonsubsidized children.

(b) It is not the intent of the Legislature to preclude an agency with a contract with the department from adjusting the fees charged to nonsubsidized children during the contract year. In no event shall the assigned reimbursement rate exceed the standard reimbursement rate established pursuant to Section 10280.

(c) These agencies shall provide documentation to the department that subsidized children, as necessary and appropriate, shall receive supportive services through county welfare departments, resource and referral programs, or other existing community resources, or all of them.

10283. (a) Commencing with the 1995–96 fiscal year and each fiscal year thereafter, for purposes of this part, reimbursement rates shall be adjusted by the following reimbursement factors for child care and development programs with a standard reimbursement rate, but shall not apply to the resource and referral programs set forth in Chapter 2 (commencing with Section 10217), the alternative payment programs set forth in Chapter 3 (commencing with Section 10225), or the schoolage parent and infant development programs:

- (1) Prior to January 1, 2022, for child care and development providers serving children for less than four hours per day, the reimbursement factor is 55 percent of the standard reimbursement rate.
- (2) Prior to January 1, 2022, for child care and development program providers serving children for not less than four hours per day, and less than six and one-half hours per day, the reimbursement factor is 75 percent of the standard reimbursement rate. For providers operating under Chapter 21 (commencing with Section 10370) and serving children for not less than four hours per day, and less than seven hours per day, the reimbursement factor is 75 percent of the standard reimbursement rate.

(3) Prior to January 1, 2022, for child care and development program providers serving children for not less than six and one-half hours per day, and less than 10 and one-half hours per day, the reimbursement factor is 100 percent of the standard reimbursement rate. For child care and development providers operating under Chapter 21 (commencing with Section 10370) and serving children for not less than seven hours per day, and less than 10 hours per day, the reimbursement factor is 100 percent of the standard reimbursement rate.

(4) For child care and development program providers serving children for 10 and one-half hours or more per day, the reimbursement factor is 118 percent of the standard reimbursement rate.

(b) It is the intent of the Legislature, notwithstanding the difference between the standard reimbursement rate and the regional market rate, to support serving children for the length of day that is appropriate under a provider's contract.

10284. (a) Notwithstanding the provisions of Section 10280, the payment made to a child care facility (a) with authorization for payments from an alternative payment program or a county welfare department, (b) operating under licensing standards for child day care facilities specified by Sections 1500 et seq. of the Health and Safety Code and by Title 22 of the California Administrative Code, and (c) with less than a majority of subsidized children enrolled in the facility, shall be the same as the fee paid for the same service by families of nonsubsidized children.

(b) Each alternative payment system or county welfare department shall provide documentation that subsidized children, as necessary and appropriate, shall receive supportive services through county welfare departments, resource and referral programs, other existing community resources, or all of them.

10284.5. The audits for those agencies licensed under the provisions of Chapter 3 (commencing with Section 1500) of Division 2 of the Health and Safety Code shall include a sampling of the evidence of fees paid by families of nonsubsidized children, the average daily enrollment of subsidized and nonsubsidized children, the average number of days of service provided to subsidized children, and the services provided to subsidized children pursuant to the terms of the contract.

10284.6. The department and the State Controller shall establish the necessary plans to advance child care funds to contracting agencies.

10285. The department shall adopt rules, regulations, and guidelines to facilitate the funding and reimbursement procedures required by this chapter.

10286. The department shall support the coordination of resources available to state and local agencies serving children, youth, and their families.

10286.5. In the event that operating agencies are unable to operate due to incomplete renovations authorized by administrating state agencies, or due to circumstances beyond the control of the operating agency, including earthquakes, floods, or fire, such programs shall not be penalized for incurred program expenses nor in subsequent annual budget allocations.

10287. (a) The rules, regulations, and guidelines adopted by the department pursuant to Sections 10267.5 and 10285 shall permit reimbursement for interest paid by contractors on private sector debt financing for the purchase, lease-purchase, repair, or renovation of child care and development facilities owned or leased by contractors providing center-based care.

(b) The department shall adopt regulations requiring contractors to demonstrate that the amount of interest paid in a year on private sector debt financing for the purposes identified in subdivision (a) does not exceed the value obtained by the state in the use of the facilities during the year for the child care and development services program. The regulations shall include, but not be limited to, the following methods of making this demonstration:

(1) Amortization of a loan or lease-purchase contract on a straight-line basis for the purchase price of a portable building, including any transportation charges, installation charges, loan fees, taxes, points or other fees associated with the purchase, over a period of 15 years or more.

(2) Amortization of a loan or lease-purchase contract on a straight-line basis for the purchase price of a permanent building and real estate, including any loan fees, taxes, points or other fees associated with the purchase, over a period of 15 years or more.

(3) Evidence acceptable to the department that loan payments for the purchase of a portable building or permanent building and real estate, including principal and interest, do not exceed the fair market rental cost that the contractor would have paid if the property was not purchased.

(c) Loans or lease-purchase agreements amortized over the number of years designated in subdivision (b), but due in a fewer number of years, shall not be disallowed because of the shorter due date.

10287.5. 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.

CHAPTER 12. Family Fees

10290. (a) The department, in consultation with the State Department of Education, shall establish a fee schedule for families using preschool and child care and development services pursuant to this part including families receiving services pursuant to paragraph (1) of subdivision (b) of Section 10271. It is the intent of the Legislature that the new fee schedule shall be simple and easy to implement.

(b) The family fee schedule shall retain a single flat monthly fee per family. The schedule shall differentiate between fees for part-time care and full-time care.

(c) Using the most recently approved family fee schedule pursuant to subdivision (e) of Section 10436, families shall be assessed a single flat monthly fee for all state-subsidized services, including California state preschool program services administered by the State Department of Education, based on income, certified family need for full-time or part-time care services, and enrollment, and shall not be based on actual attendance. No recalculation of a family fee shall occur if attendance varies from enrollment unless a change in need for care is assessed.

(d) The department shall design the new family fee schedule based on the most recent census data available on state median family income in the past 12 months, adjusted for family size, according to the methodology provided in subdivision (c) of Section 10271.5. The revised fees shall not exceed 10 percent of the family's monthly income. The department shall first submit the adjusted fee schedule to the Department of Finance for approval.

(e) 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 (42 U.S.C. Sec. 1381 et seq.) and Chapter 3 (commencing with Section 12000) of Part 3 shall not be included in total countable income for purposes of determining the amount of the family fee.

(f) Family fees shall be assessed at initial enrollment and reassessed at update of certification or recertification.

(g) It is the intent of the Legislature that the new family fees shall be cost neutral to the state and generate roughly the same amount of revenue as was generated under the previous family fee schedule.

(h) Notwithstanding any other provision of this chapter, family fees shall not be collected for the 2021–22 fiscal year pursuant to Section 263 of the act that added this section.

10291. (a) A family that receives services pursuant to paragraph (1) of subdivision (b) of Section 10271 may be exempt from family fees for up to 12 months.

(b) Notwithstanding any other law, a family receiving CalWORKs cash aid shall not be charged a family fee.

10292. (a) The family fee schedule shall provide, among other things, that a contractor or provider may require parents to provide diapers. A contractor or provider offering field trips either may include the cost of the field trips within the service rate charged to the parent or may charge parents an additional fee. Federal or state money shall not be used to reimburse parents for the costs of field trips if those costs are charged as an additional fee. A contractor or provider that charges parents an additional fee for field trips shall inform parents, before enrolling the child, that a fee may be charged and that no reimbursement will be available.

(b) A contractor or provider may require parents to provide diapers or charge parents for field trips, subject to all of the following conditions:

(1) The contractor or provider has a written policy adopted by the agency's governing board that includes parents in the decisionmaking process regarding both of the following:

(A) Whether or not, and how much, to charge for field trip expenses.

(B) Whether or not to require parents to provide diapers.

(2) The contractor or provider does not charge fees in excess of twenty-five dollars (\$25) per child in a contract year.

(3) The contractor or provider does not deny participation in a field trip due to a parent's inability or refusal to pay the fee.

(4) The contractor or provider does not take adverse action against a parent for the parent's inability or refusal to pay the fee.

(c) A contractor or provider shall establish a payment system that prevents the identification of children based on whether or not a child's family has paid field trip fees.

(d) The contractor or provider shall report expenses incurred and income received for field trips to the department. Income received shall be reported as restricted income.

CHAPTER 13. Allocations and Expenditures

10300. (a) The department may reimburse approvable startup costs of child development agencies or facilities in an amount not to exceed 15 percent of the expansion or increase of each agency's total contract amount. Under no circumstances shall reimbursement for startup costs result in an increase in the agency's total contract amount. These funds shall be available for all of the following:

(1) The employment and orientation of necessary staff.

(2) The setting up of the program and facility.

(3) The finalization of rental agreements and the making of necessary deposits.

(4) The purchase of a reasonable inventory of materials and supplies.

(5) The purchase of an initial premium for insurance.

(b) Agencies shall submit claims for startup costs with their first quarterly reports.

(c) The Legislature recognizes that allowances for startup costs are necessary for the establishment and stability of new child development programs. Programs initially funded in the 1978–79 fiscal year and 1979–80 fiscal year are included in this section.

10300.5. (a) The department and the State Department of Education shall promote full utilization of child care and development and preschool funds and match available unused funds with identified service needs. The department and the State Department of Education shall attempt to arrange intra-agency adjustments between California state preschool program contracts and general child care contracts for the same agency and funding allocation. The department and the State Department of Education shall establish timelines for intra-agency 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 and the State Department of Education 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.

10301. (a) The department shall develop a plan and procedures for the allocation of expansion funding balances resulting from the pro rata allocation of expansion for the partial year operations of new agencies.

(b) A plan shall provide for the distribution of such funds among provider agencies whose enrollments include children with special needs and shall limit provider agencies' use of these funds to the purchase of department-approved equipment or materials or one-time-only services, or any of them, that will directly benefit the children with special needs.

10301.5. (a) The Legislature recognizes the shortage of child care and development and preschool facilities which meet state and local health and safety standards, and the lack of other sources of funding for renovations and repairs necessary to upgrade facilities for licensing in order to accommodate major child care and preschool expansion. It is, therefore, the intent of the Legislature that funds be appropriated for the purpose of providing revolving loans with no interest, as provided in Section 10303, to all other types of child care and development and preschool facilities, in order to provide sufficient child care and development and preschool facilities meeting licensing standards to accommodate the level of child care and preschool expansion provided in this chapter.

(b) It is further the intent of the Legislature that funds be appropriated for the state purchase of relocatable child care and development and preschool facilities as provided in Section 10307, for lease to qualifying contracting agencies in geographic areas with no available child care and development or preschool facilities.

10302. Unless specifically exempted by the Legislature, the administrative cost for all state-funded child care and development and preschool programs and all federal programs administered by the state shall not exceed 15 percent of the funds provided for

those programs. Eighty-five percent of these funds shall be used to provide direct services in accordance with rules and regulations, or contractual funding terms and conditions prescribed by the department.

10302.5. (a) The department shall establish regulations for the allocation of capital outlay funds provided pursuant to Section 10303 to Section 10304.5, inclusive, to benefit children most needing child care and development or preschool programs. The first priority for all capital outlay shall be given to facilities located in geographic areas with no other available enrollment slots in existing subsidized and unsubsidized child care and development or preschool facilities. All such capital outlay funding shall be used solely for purposes of renovation and repair of existing buildings.

(b) The department shall establish qualifications for determining the eligibility of contracting agencies and day care homes to apply for capital outlay funds.

10303. The department shall establish a revolving loan fund to provide loans to child care and development or preschool contracting agencies for capital outlay not to exceed 2 percent or two thousand dollars (\$2,000), whichever is greater, of the agency's contract amount. These loans shall be available with no interest and shall be used to renovate and repair child care or preschool facilities to meet state and local health and safety standards.

10304. (a) Repayments on loans made pursuant to Section 10303 shall commence within one year after allocation of the loan to the contracting agency. In lieu of payments by the contracting agency, the department shall annually reduce the agency's contract amount for child care or preschool services by at least the level of normal depreciation allowance on the renovation or repair, calculated by the straight line method of depreciation.

(b) The entire balance of a loan made pursuant to this section shall be payable to the department immediately if the contracting agency ceases operation of services to children subsidized pursuant to this chapter, or if the department fails to renew the agency's contract, or if 10 years have elapsed from the date of the allocation.

(c) The department shall deposit all revenue derived from loan payments made by contracting agencies, or reductions made by the department in agencies' contracts in lieu of payments, into the revolving loan fund for allocation to other contracting agencies for capital outlay projects pursuant to this section.

10304.5. The state shall hold a security interest in all renovations and repairs funded pursuant to Section 10303.

10305. (a) For purposes of this section "department" means the Department of Housing and Community Development.

(b) Subject to appropriation in the annual Budget Act, the Child Care and Development Facilities Loan Guaranty Fund and the Child Care and Development Facilities Direct Loan Fund are hereby established in the State Treasury. The State Department of Social Services may transfer state funds appropriated for child care and preschool facilities enhancement and the proceeds derived from any future sales of tax-exempt child care and development and preschool facilities bonds into these funds.

(c) Notwithstanding Section 13340 of the Government Code, all moneys in the Child Care and Development Facilities Loan Guaranty Fund and the Child Care and Development Facilities Direct Loan Fund, including any interest on loans made from the fund, or loan repayments to the fund, are hereby continuously appropriated to the department for carrying out the purposes of this section and Section 10305.5, respectively. Any loan repayment or interest resulting from investment or deposit of moneys in these funds shall be deposited in the applicable fund, notwithstanding Section 16305.7 of the Government Code. Moneys in the funds shall not be subject to transfer to any other fund pursuant to Part 2 (commencing with Section 16300) of Division 4 of Title 2 of the Government Code, except the Surplus Money Investment Fund.

(d) (1) Moneys deposited in the Child Care and Development Facilities Loan Guaranty Fund shall be used for the purpose of guaranteeing private sector loans to sole proprietorships, partnerships, proprietary and nonprofit corporations, and local public agencies for the purchase, development, construction, expansion, or improvement of licensed child care and development and preschool facilities, and for the purpose of administering the guarantees of these loans. The loan guarantees shall be made by the department or by a public or private entity approved by the department, in accordance with the priorities established by the department, as described in Section 10305.5. The full faith and credit of the State of California is not pledged to the Child Care and Development Facilities Loan Guaranty Fund and the state is not liable for loan defaults that exceed the amount of funds deposited with the Child Care and Development Facilities Loan Guaranty Fund.

(2) A loan guarantee made pursuant to this section may not exceed 80 percent of the principal and interest amount of a private sector loan guaranteed by the fund and shall be used only to guarantee a private sector loan for the purchase, development, construction, expansion, or improvement of facilities described in Section 10305.5 and for related equipment and fixtures, but shall not be used primarily to refinance an existing loan or for working capital, supplies, or inventory. A loan guarantee for

improvements shall be limited to those improvements necessary, as determined by the department, for any of the following purposes:

- (A) To obtain, maintain, renew, expand, or revise a child care license.
- (B) To make necessary health and safety improvements.
- (C) To make seismic improvements.
- (D) To provide access for disabled children.
- (E) To expand upon or preserve existing child care and preschool operations.

(3) The aggregate amount of outstanding loan guarantees shall not exceed four times the amount in the Child Care and Development Facilities Loan Guaranty Fund.

(4) A loan guarantee made pursuant to this section shall be for the term of the loan or 20 years, whichever is less. Security for the guaranteed loan may include a deed of trust, personal guarantees of shareholders and partners in the case of proprietary borrowers, or other reasonably available collateral. These liens may be subordinated to other liens. Default provisions and other terms shall be reasonable and designed to obtain prompt and full repayment of the guaranteed loan by the borrower. Reasonable loan guarantee fees and points may be charged to applicants and borrowers by any public or private entity approved by the department, as described in regulations adopted by the department.

(5) A loan guarantee made pursuant to this section shall only be granted if the applicant agrees to provide child care or preschool in a facility for a period of 20 years or the term of the guaranteed loan, whichever is less.

(6) A loan guarantee made pursuant to this section terminates 120 days after the lender's receipt of notice that the recipient has either ceased making payments or providing child care or preschool in the facility for which the loan was made, or both, unless the lender takes action to accelerate the loan. If a family child care provider ceases to operate, but retains its three-year license, the provider shall give notice to the department and the lending institution of its intention to resume offering child care services or preschool services for the term of its license, or shall provide notice of its intention to cease providing child care or preschool services. The Child Care and Development Facilities Loan Guaranty Fund is not liable for a default occurring after the loan guarantee has ended.

(e) (1) Moneys deposited in the Child Care and Development Facilities Direct Loan Fund shall be used for the purpose of making subordinated loans directly or through a public or private entity approved by the department to sole proprietorships, partnerships, proprietary and nonprofit corporations, and local public agencies for the purchase, development, construction, expansion, or improvement of licensed child care and development or preschool facilities, and for the purpose of administering these loans. Loans shall be made in accordance with the priorities established by the department as set forth in Section 10305.5. The full faith and credit of the State of California is not pledged to the Child Care and Development Facilities Direct Loan Fund and the state is not liable for loan defaults that exceed the amount of funds deposited in the Child Care and Development Facilities Direct Loan Fund.

(2) A loan made pursuant to this section may not exceed 75 percent of the total amount of investment for the purchase, development, expansion, or improvement of eligible child care and development or preschool facilities as described in Section 10305.5 and for related equipment and fixtures, but may not be used primarily to refinance an existing loan, for working capital, for supplies, or for inventory. A loan made pursuant to this section may not exceed 20 percent of the total amount of investment if the same facility is also utilizing a loan guarantee pursuant to subdivision (c). Investment for purposes of this paragraph means the total cost paid or incurred by the applicant in constructing, renovating, or acquiring a facility. A loan for improvements shall be limited to those improvements necessary, as determined by the department, for any of the following purposes:

- (A) To obtain, maintain, renew, expand, or revise a child care license.
- (B) To make necessary health and safety improvements.
- (C) To make seismic improvements.
- (D) To provide access for disabled children.
- (E) To expand upon or preserve existing child care or preschool operations.

(3) The term of a loan made pursuant to this section may not exceed 30 years. Security for the loan may include a deed of trust, personal guarantees of shareholders and partners in the case of proprietary borrowers, or other reasonably available collateral. These liens may be subordinated to other liens. The payment provisions, late charges, and other terms may vary based on the ability of the borrower to repay the loan, but shall be reasonable and designed to obtain prompt and full

repayment of the loan by the borrower. A direct loan shall bear simple interest at the rate of 3 percent per annum on the unpaid principal balance. Reasonable loan fees and points may be charged to applicants and borrowers, as described in regulations adopted by the department. The department may permit a loan to be assumed by an otherwise qualified borrower who agrees to continue to provide child care or preschool for the balance of the original term of the loan.

(f) Funds appropriated for the purposes of this section and Section 10305.5 shall be made from funds that are not designated as meeting the state's minimum funding obligation under Section 8 of Article XVI of the California Constitution.

10305.5. (a) For purposes of this section "department" means the Department of Housing and Community Development.

(b) The department shall administer the Child Care and Development Facilities Loan Guaranty Fund and the Child Care and Development Facilities Direct Loan Fund. The department may administer the funds directly, through interagency agreements with other state agencies, through contracts with public or private entities, or through any combination thereof. If the department determines that a public or private entity is capable of making child care and development or preschool facilities loans or loan guarantees, the department may delegate the authority to review and approve those loans or guarantees to the public or private entity. The department is authorized to enter into interagency agreements to carry out the purposes of this section and Section 10305 by utilizing the services of small business financial development corporations established pursuant to Chapter 1 (commencing with Section 14000) of Part 5 of Division 3 of the Corporations Code. Toward this end, the department is authorized to transfer funds from the Child Care and Development Facilities Direct Loan Fund to the California Economic Development Grant and Loan Fund established by Section 15327 of the Government Code and to transfer funds from the Child Care and Development Facilities Loan Guaranty Fund to the Small Business Expansion Fund established by Section 14030 of the Corporations Code. Those funds shall be deposited into a Child Care Direct Loan Fund Account and a Child Care Loan Guaranty Fund Account hereby established in the respective funds. Notwithstanding anything to the contrary in Chapter 1 (commencing with Section 15310) of Part 6.7 of Division 3 of Title 2 of the Government Code and Chapter 1 (commencing with Section 14000) of Part 5 of Division 3 of the Corporations Code, the funds in these accounts shall be administered in compliance with the requirements of this section and Section 10305.

(c) Eligible applicants for the loan guaranty program and the direct loan program shall include, but not be limited to, sole proprietorships, partnerships, proprietary and nonprofit corporations, and local public agencies that are responsible for contracting with or providing licensed child care and development services, preschool services, or both. Eligible facilities shall include licensed full-day and part-day child care and development facilities, preschool facilities, and licensed large family child care homes as described in Section 1597.465 of the Health and Safety Code, and licensed small family child care homes as described in Section 1597.44 of the Health and Safety Code.

(d) Loan guarantees and direct loans for family child care homes shall not be made for the purpose of purchasing a home or any real property.

(e) The State Department of Social Services shall provide input regarding program priorities that shall be considered in the funding of applications by the department. These priorities shall include, but are not limited to, the following:

(1) Geographic priorities based on the extent of need for child care and development and preschool supply-building efforts in different parts of the state.

(A) Not less than 30 percent of the loan guarantee and direct loan obligations shall benefit providers located in rural areas, as defined in subparagraph (B). If the amount of qualified applications from rural providers is insufficient to satisfy this requirement, the excess capacity reserved for rural providers may be made available to other qualified applications according to the policies and procedures of the department. The remaining 70 percent of funds shall be available to rural or urban areas and other priorities in accordance with this subdivision.

(B) For purposes of subdivision (a), rural communities are defined by any county with fewer than 400 residents per square mile.

(2) Age priorities based on the extent of need for child care and development or preschool supply-building efforts for children of different age groups.

(3) Income priorities shall include families transitioning to work or other lower income families. For purposes of this section, "lower income" shall have the same meaning as "income eligible" as set forth in Section 10271.5.

(4) Program priorities based on the extent of facilities needs among specific kinds of providers, including those that contract to administer state and federally funded child care and development or preschool programs administered by the State Department of Social Services or the State Department of Education, providers who have lost classrooms due to class size reduction or other state or local initiatives, or providers that need to expand to meet the needs of a child care or preschool initiative for recipients of aid under Chapter 3 (commencing with Section 11200) of Part 3, or any successor program.

(f) The program priorities shall reflect input from representatives of diverse sectors of the child care and development or preschool fields, financial institutions, local planning councils, the Child Development Programs Advisory Committee, and the State Department of Social Services for purposes of identifying communities with high percentages of recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3, or any successor program, who need child care or preschool to meet work requirements. As part of its annual report to the Legislature, required pursuant to Section 50408 of the Health and Safety Code, the department shall assess and report, after consultation with the State Department of Social Services, on the performance, effectiveness, and fiscal standing of the Child Care and Development Facilities Loan Guaranty Fund and the Child Care and Development Facilities Direct Loan Fund. The report shall include information on the number of defaults, the types of facilities in default, and a review of the adequacy of the set-aside for rural areas specified in paragraph (1) of subdivision (e).

(g) The department shall adopt regulations and establish priorities, forms, policies and procedures for implementing and managing the Child Care and Development Facilities Loan Guaranty Fund and the Child Care and Development Facilities Direct Loan Fund and making the loan guarantees and direct loans authorized hereunder consistent with priorities provided by the State Department of Social Services. To the extent feasible, the department shall use applicant fees and points to cover its administrative costs. The department may utilize an amount of money from the Child Care and Development Facilities Loan Guaranty Fund and the Child Care and Development Facilities Direct Loan Fund, as appropriate, for reasonable administrative costs in any given fiscal year. Unless an appropriation for administrative costs is made in the annual Budget Act that exceeds the following limits, administrative expenditures shall not exceed 3 percent of the amount appropriated to each fund in the Budget Act of 1997.

(h) (1) The department shall adopt regulations to efficiently and effectively implement the microenterprise loan program described in this subdivision, including, but not limited to, the following:

(A) Making loans available from the Child Care and Development Facilities Direct Loan Fund to local microenterprise loan funds and other lenders who may relend the funds in appropriate amounts to eligible small family child care home providers described in Section 1597.44 of the Health and Safety Code, large family child care home providers described in Section 1597.465 of the Health and Safety Code, licensed child care and development facilities, and preschool facilities that serve up to 35 children.

(B) Authorizing a specified amount of guarantees of small loans by local microenterprise loan funds and other lenders serving eligible small family child care home providers described in Section 1597.44 of the Health and Safety Code, large family child care home providers described in Section 1597.465 of the Health and Safety Code, licensed child care and development facilities, and preschool facilities that serve up to 35 children.

(2) Notwithstanding anything to the contrary in this section or Section 10305, a loan made pursuant to this subdivision shall not be made for less than five thousand dollars (\$5,000) or for more than fifty thousand dollars (\$50,000) and shall not be subject to the 75-percent investment restriction contained in paragraph (2) of subdivision (e) of Section 10305.

(i) The department may adopt regulations for the purposes of this section as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. For the purposes of the Administrative Procedure Act, including Section 11349.6 of the Government Code, 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, notwithstanding subdivision (e) of Section 11346.1 of the Government Code. Notwithstanding subdivision (e) of Section 11346.1 of the Government Code, any regulation adopted pursuant to this section shall not remain in effect more than 180 days unless the department complies with all provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, as required by subdivision (e) of Section 11346.1 of the Government Code.

10306. The Child Care and Development Facilities Loan Guaranty Fund, the Child Care and Development Facilities Direct Loan Fund, and the Child Care Loan Guaranty Fund Account in the Small Business Expansion Fund are abolished. All moneys remaining in the Child Care and Development Facilities Loan Guaranty Fund, the Child Care and Development Facilities Direct Loan Fund, and the Child Care Loan Guaranty Fund Account in the Small Business Expansion Fund shall revert to the General Fund. The Department of Housing and Community Development shall deposit all subsequent loan repayments to the Treasurer to the credit of the General Fund. The abolishment of the Child Care and Development Facilities Loan Guaranty Fund, the Child Care and Development Facilities Direct Loan Fund, and the Child Care Loan Guaranty Fund Account in the Small Business Expansion Fund does not terminate any of the following rights, obligations, or authorities, or any provision necessary to carry out those rights, obligations, or authorities:

(a) The repayment of loans due and payable to the department or the relevant financial company.

(b) The obligation of the state to pay claims arising from the default of outstanding loans that have been guaranteed.

(c) Payment to lenders for default of any outstanding guaranteed loans secured by those moneys.

(d) The resolution of any cost recovery action.

10307. (a) As used in this section:

(1) "Board" means the State Allocation Board.

(2) "Lessee" means a child care and development or preschool contracting agency to whom the board has leased a relocatable facility pursuant to this section.

(b) The board, with the advice of the department, may do all of the following:

(1) Establish any qualifications that it deems will best serve the purposes of this section for determining the eligibility of child care and development or preschool contracting agencies to lease relocatable facilities under this section.

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

(3) Adopt any rules and regulations for the administration of this section requiring such procedure, forms, and information that it may deem necessary.

(4) Have constructed, furnished, equipped, or otherwise require whatever work is necessary to place relocatable child care and development and preschool facilities where needed.

(5) Own, have maintained, and lease relocatable classrooms to qualifying child care and development and preschool contracting agencies.

(c) The board shall lease relocatable facilities to qualifying child care and development and preschool contracting agencies and shall charge rent of one dollar (\$1) per year. The board shall require lessees to undertake all necessary maintenance, repairs, renewal, and replacement to ensure that a project is at all times kept in good repair, working order, and condition. All costs incurred for this purpose shall be borne by the lessee.

(d) The board shall require lessees to insure at their own expense for the benefit of the state, any leased relocatable facility which is the property of the state, against any risks, including liability from the use thereof, in the amounts the board may deem necessary to protect the interest of the state.

(e) The board shall have authority to adopt rules establishing priorities for the acquisition and leasing of facilities to contracting agencies which will most benefit children needing child care and development or preschool programs. The board shall require each lessee to demonstrate that relocatable facilities are utilized solely for operation of child care and development or preschool programs.

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

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

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

(i) Any revenue which is derived from a lease or other disposition of the relocatable facilities pursuant to this section is continuously appropriated to the board for the purposes of this section to fund the purchase of other relocatable facilities for child care and development or preschool programs.

10307.5. (a) In the event that a school district elects to discontinue its contract for child development or preschool services, the facilities owned by the school district and constructed through the provisions of the local tax override for child development or preschool purposes shall be made available to the local contractor whose bid is accepted for continuation of the services.

(b) The rent for such facilities shall not exceed the prevailing rental rate for such facilities.

10308. (a) (1) The Child Care Facilities Revolving Fund is hereby established in the State Treasury to provide funding for loans for the renovation, repair, or improvement of an existing building to make the building suitable for licensure for child care and development or preschool services, and for the purchase of new relocatable child care or preschool facilities for lease to local educational agencies and contracting agencies that provide child care and development or preschool services, pursuant to this chapter. The department may transfer state funds appropriated for child care and preschool facilities into this fund for allocation to local educational agencies and contracting agencies, as specified, for the purchase, transportation, and installation of facilities for replacement and expansion of capacity. Local educational agencies and contracting agencies using facilities purchased by the use of these funds shall be charged a leasing fee, either at a fair market value for those facilities or at an amount sufficient to amortize the cost of purchase and relocation, whichever amount is lower, over a 10-year period. Upon full repayment of the purchase and relocation costs, title shall transfer from the State of California to the local educational agency or contracting agency. Loans for renovation or repair shall be repaid within a period that does not exceed 10 years. The department shall deposit all revenue derived from the lease payments or renovation or repair loan repayments into the Child Care Facilities Revolving Fund.

(2) Notwithstanding Section 13340 of the Government Code, all moneys in the fund, including moneys deposited from lease payments or loan repayments, are continuously appropriated, without regard to fiscal years, to the department for expenditure pursuant to this chapter.

(3) Augmentations to the Child Care Facilities Revolving Fund made in the Budget Act of 2014 shall be used for loans for renovation or repair of existing local educational agency facilities to ensure those facilities meet applicable health and safety standards or the purchase of new relocatable child care and preschool facilities for lease to local educational agencies, for the purpose of expanding access to California state preschool program services pursuant to this chapter.

(b) On or before August 1 of each fiscal year, the department shall submit to the Department of Finance and the Legislative Analyst's Office a report detailing the number of funding requests received and their purpose, the types of agencies that received funding from the Child Care Facilities Revolving Fund, the increased capacity that these facilities generated, a description of the manner in which the facilities are being used, and a projection of the lease payments and loan repayments collected and the funds available for future use.

(c) A local educational agency that provides child care pursuant to 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 of the Education Code) is eligible to apply for and receive funding pursuant to this section.

(d) Except as provided in subdivision (b) of former Section 8280 of the Education Code, this section shall become inoperative on January 1, 2020.

10308.5. Each county shall, as a minimum, maintain the level of expenditure for child development services provided by the county during the 1970–71 fiscal year. These funds shall be used exclusively for child development and preschool programs and shall be considered unrestricted funds unless restricted by the county granting the funds.

10308.7. (a) The Legislature recognizes that child care and preschool programs have made valuable contributions towards ensuring that public assistance recipients will be able to accept and maintain employment or employment-related training. Therefore, it is the intent of the Legislature that the department ensure that counties comply with the requirements of Section 10308.5.

(b) The department shall ensure each county's compliance with Section 10308.5 by not issuing funds to a local child care contractor within a county until the department has received written certification from that county that the level of expenditure for child care services provided by the county has been maintained at the 1970–71 fiscal year level pursuant to Section 10308.5. Funding provided by a county to a local child care or preschool contractor shall not adversely affect the reimbursement received by the agency from the department pursuant to Sections 10280, 10281.5, and 10282.5.

10309. The department shall publish the methodology and data used, including county-specific data if such data is used, for the allocation of all child care funds. The department shall make available to the public within 90 days of an allocation, the accounting information for the allocation. It is the intent of the Legislature to expedite the allocation of funds to the field as quickly as possible. Nothing in this section shall create a requirement for a public hearing on the allocation methodology prior to the issuance of a request for proposal.

10309.1. (a) The department shall disburse augmentations to the base allocation for the expansion of child care and development programs to promote equal access to child development services across the state.

(b) The department shall use the formula developed pursuant to subdivision (c) and the priorities identified by local child care and development planning councils, unless those priorities do not meet the requirements of state or federal law, as a guide in disbursing augmentations pursuant to subdivision (a).

(c) The department shall develop a formula for prioritizing the disbursement of augmentations pursuant to this section. The formula shall give priority to allocating funds to underserved areas. The formula shall use the definition of "underserved area" in Section 10213.5 and direct impact indicators of need for child care and development services in the county or subcounty areas. For purposes of this section, "subcounty areas" include, but are not limited to, school districts, census tracts, or ZIP Code areas that are deemed by the department to be most appropriate to the type of program receiving an augmentation. Direct impact indicators of need may include, but are not limited to, the teenage pregnancy rate, the unemployment rate, area household income, or the number or percentage of families receiving public assistance, eligible for Medi-Cal, or eligible for free or reduced-price school meals, and any unique characteristics of the population served by the type of program receiving an augmentation.

(d) To promote equal access to services, the department shall include in guidelines developed for use by local planning councils pursuant to subdivision (d) of Section 10486 guidance on identifying underserved areas and populations within counties. This guidance shall include reference to the direct impact indicators of need described in subdivision (c).

10309.3. The Legislature finds and declares the following:

(a) There is a serious shortage of quality child day care and preschool facilities throughout the state.

(b) It is in the interest of the state's children and families, and the state's economic growth, to encourage the expansion of existing child day care and preschool facilities by assisting communities and interested government and private entities to finance child day care and preschool facilities.

(c) In addition to regional resource centers described in Provision 7(d) of Item 6110-196-0001 of the Budget Act of 1999, which focus on developing child care capacity in underserved areas of the state, there is a need to access capital for facilities on a systematic basis, especially to use limited public sector funds to leverage a greater private sector role in financing child day care and preschool facilities. The Legislature finds and declares that a financial intermediary could fill this role and support the regional resource centers and other local entities that work with potential providers by functioning as a centralized repository of training, best practices, and expertise on facilities financing.

10309.5. (a) The department shall contract with a nonprofit organization to serve as a financial intermediary. The nonprofit organization shall have staff who have expertise in financing and capital expansion, are knowledgeable about the child care and preschool field, and have the ability to develop and implement a plan to increase the availability of financing to renovate, expand, and construct child day care and preschool facilities, both in day care centers and family child care homes.

(b) The financial intermediary selected by the department shall undertake activities designed to increase funds available from the private and public sectors for the financing of child day care and preschool facilities. These activities shall include, but are not limited to, all of the following:

(1) Soliciting capital grants and program-related investments from foundations and corporations.

(2) Building partnerships with foundations and corporations.

(3) Developing lending commitments, linked deposits, and other financing programs with conventional financial institutions.

(4) Coordinating private sources of capital with existing public sector sources of financing for child day care and preschool facilities, including, but not limited to, the Department of Housing and Community Development and the California Infrastructure and Economic Development Bank.

(5) Coordinating financing efforts with the technical assistance provided by the regional resource centers described in Provision 7(d) of Item 6110-196-0001 of the Budget Act of 1999, and other local entities that work with potential providers.

(c) This section shall only be implemented to the extent that funds are appropriated for this purpose in the annual Budget Act.

10309.7. (a) The Legislature recognizes the importance of providing quality child care and preschool services. It is, therefore, the intent of the Legislature to assist counties in improving the retention of qualified child care and preschool employees who work directly with children who receive state-subsidized child care and preschool services.

(b) It is further the intent of the Legislature, in amending this section during the 2009–10 Regular Session, to address the unique challenges of the County of Los Angeles, in which an estimated 60,000 low-income children receive subsidized child care in nonstate-funded child care settings and an additional 50,000 eligible children are waiting for subsidized services.

(c) (1) Except as provided in paragraph (2), the funds appropriated for the purposes of this section by paragraph (11) of Schedule (b) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2000 (Chapter 52 of the Statutes of 2000), and that are described in subdivision (i) of Provision 7 of that item, and any other funds appropriated for purposes of this section, shall be allocated to local child care and development planning councils based on the percentage of state-subsidized, center-based child care and preschool funds received in that county, and shall be used to address the retention of qualified child care and preschool employees in state-subsidized child care centers and preschools.

(2) Of the funds identified in paragraph (1), funds qualified pursuant to subparagraphs (A) to (C), inclusive, may also be used to address the retention of qualified persons working in licensed child care and preschool programs that serve a majority of children who receive subsidized child care and preschool services pursuant to this chapter, including, but not limited to, family child care homes as defined in Section 1596.78 of the Health and Safety Code. To qualify for use pursuant to this paragraph, the funds shall meet all of the following requirements:

(A) The funds are allocated for use in the County of Los Angeles.

(B) The funds are appropriated in the annual Budget Act.

(C) The funds are unexpended after addressing the retention of qualified child care and preschool employees in state-subsidized child care centers and family child care home education networks.

(d) The department shall develop guidelines for use by local child care and development planning councils in developing county plans for the expenditure of funds allocated pursuant to this section. These guidelines shall be consistent with the department's assessment of the current needs of the subsidized child care and preschool workforce, and shall be subject to the approval of the Department of Finance. Any county plan developed pursuant to these guidelines shall be approved by the department prior to the allocation of funds to the local child care and development planning council.

(e) Funds provided to a county for the purposes of this section shall be used in accordance with the plan approved pursuant to subdivision (d). A county with an approved plan may retain up to 1 percent of the county's total allocation made pursuant to this section for reimbursement of administrative expenses associated with the planning process.

(f) The department shall provide an annual report, no later than April 10 of each year, to the Legislature, the Department of Finance, and the Governor that includes, but is not limited to, a summary of the distribution of the funds by county and a description of the use of the funds.

CHAPTER 14. Child Care and Development Infrastructure and Workforce Development

10310.1. (a) The department shall administer the Child Care and Development Infrastructure Grant Program to expand access to child care and development and preschool opportunities for children up to five years of age by providing resources to build new facilities or retrofit, renovate, repair, or expand existing facilities as provided in this section.

(b) (1) The department shall award infrastructure grants on a competitive basis to either of the following:

(A) Child care and development and preschool providers that are not local educational agencies and that are one or more of the following:

(i) A child care center or family child care home serving children through an alternative payment program pursuant to Chapter 3 (commencing with Section 10225).

(ii) A migrant child care and development program serving children pursuant to Chapter 6 (commencing with Section 10235).

(iii) A child care center or family child care home education network serving children through a California state preschool program pursuant to Article 2 (commencing with Section 8207) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code.

(iv) A child care center or family child care home serving children through a general childcare and development program pursuant to Chapter 7 (commencing with Section 10240).

(v) A family child care home education network serving children pursuant to Chapter 8 (commencing with Section 10250).

(vi) Child care and development services for children with special needs pursuant to Chapter 9 (commencing with Section 10260).

(vii) A child care center or family child care home serving children through a CalWORKs Stage 1, Stage 2, or Stage 3 program pursuant to Chapter 21 (commencing with Section 10370).

(viii) A child care center or family child care home serving children through the Emergency Child Care Bridge Program for Foster Children pursuant to Section 11461.6.

(B) Child care and development and preschool providers that are not local educational agencies and that meet two or more of the following:

(i) Have a demonstrated need for expanded access to subsidized child care and development and preschool programs as measured by the ratio of children in state and federally subsidized child care and development and preschool programs to eligible children in the applicant's service area.

(ii) Are located in low-income communities, as measured by the proportion of children that qualify for state or federal subsidies for child care and development and preschool programs.

(iii) Plan to use grant funding to serve children that qualify for state or federal subsidies for child care and development and preschool programs.

(iv) Serve children from birth to five years of age, inclusive, with exceptional needs in inclusive environments.

(v) Wish to recover lost capacity as a result of a state or federally declared disaster.

(2) The department shall award infrastructure grants for any of the following purposes:

(A) Construction of new child care and development and preschool facilities to increase capacity or recover lost capacity as a result of a state or federally declared disaster.

(B) Renovation, repair, modernization, or retrofitting of existing child care and development and preschool facilities to increase capacity or recover lost capacity as a result of a state or federally declared disaster, or make existing child care and development and preschool facilities more resilient for future natural disasters.

(C) Renovation, repair, modernization, or retrofitting of existing facilities for use as child care and development and preschool facilities.

(D) Renovation, repair, modernization, or retrofitting of existing child care and development and preschool facilities to address needs related to the COVID-19 pandemic and other health and safety or licensure needs.

(c) The department shall award grants to applicants based upon criteria established by the department. The department shall release guidance to the public outlining the criteria for grant awards and the application process.

(d) The department shall give priority for grant funding to both of the following:

(1) Applicants with a demonstrated need for expanded access to subsidized child care and development and preschool programs, as measured by the ratio of children in subsidized child care and development and preschool programs to eligible children in the applicant's service area.

(2) Applicants who are currently serving subsidized children in programs described in subparagraph (A) of paragraph (1) of subdivision (b) and who are not eligible for federal funding for these purposes.

(e) Infrastructure grants may be used for any of the following:

(1) One-time infrastructure costs, including, but not limited to, universal design facility renovations, retrofitting to meet licensing requirements, the cost of design, engineering, testing, inspections, plan checking, construction management, site acquisition and development, evaluation and response action costs relating to removal of hazardous substances at a new or existing site, demolition, construction, landscaping, or other related costs as determined by the department.

(2) Facility maintenance and improvements, including, but not limited to, maintenance and minor renovations to address concerns related to the COVID-19 pandemic such as nonstructural changes to create space for social distancing, minor remodeling and upgrading of facilities to meet licensing requirements or health and safety standards, or other related costs as determined by the department.

(f) The department shall determine the appropriate grant amount for each grantee, based upon factors that include, but are not limited to, the scope of the project, regional costs, the use of universal design to provide inclusive environments, the need to meet licensing requirements or health and safety standards, and the proportion of children receiving subsidies to be served.

(g) The department shall establish the terms and conditions associated with accepting the infrastructure grant funds awarded pursuant to this section.

(h) The grant program shall offer technical assistance to potential applicants before being awarded a grant, including, but not limited to, project development support and financial expertise, including assistance with coordinating financing from multiple sources.

(i) Infrastructure grant recipients shall commit to providing program data to the department, as specified by the department, and shall participate in overall program evaluation.

(j) The department, with the concurrence of the Department of Finance, may establish an appropriate method, process, and structure for grant management, fiscal accountability, and technical assistance and supports for grantees that ensures transparency and accountability in the use of state funds. The department, at its discretion, may set aside a percentage of the amounts appropriated for the program to contract with one or more community development financial intermediaries, state financial entities, or other community-based organizations for these purposes.

(k) For purposes of this section, "state or federally declared disaster" means counties where child care and development and preschool providers are operating subject to a Presidential declaration of an emergency or major disaster, pursuant to the federal Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. Sec. 5121 et seq.), or a Governor's Proclamation, on behalf of the impacted local government, as authorized by the powers authorized by the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code).

(l) A grantee that receives funds under this section shall supplement, and not supplant, federal, state, and local public funds expended for these purposes.

(m) Notwithstanding subdivision (g) and 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 by means of all-county letters or similar instructions.

(n) This section shall take effect only to the extent that funds are appropriated for this program by the Legislature.

10311. (a) The Superintendent of Public Instruction shall, subject to an appropriation for this purpose in the annual Budget Act, administer the Early Learning and Care Workforce Development Grants Program to expand the number of qualified early learning and care professionals and increase the educational credentials of existing early learning and care professionals across the state, pursuant to this section.

(b) The Superintendent of Public Instruction shall, subject to an appropriation for this purpose in the annual Budget Act, award and administer the workforce development grants to local, regional, or local and regional quality improvement partnerships, as defined by the Superintendent of Public Instruction, consistent with the Quality Rating and Improvement System local consortia, as defined in Section 8203.1 of the Education Code, representing all counties of the state. A local, regional, or local and regional quality improvement partnership may form a consortia with one or more regional partners. All local, regional, or local and regional quality improvement partnerships shall submit a plan to the State Department of Education that describes how they will allocate funds and increase the number, qualifications, and competencies of early learning and care professionals in their county or region. The plan shall also describe how local partnerships will engage in collaborative partnerships with their members, local governmental agencies, businesses, nonprofit organizations, or other interested partners to improve the educational attainment of early learning and care professionals in their county or region, including those working in centers, family child care homes, and license-exempt settings that serve a majority of children who receive subsidized early learning and care services or are eligible to receive subsidized early learning and care services, pursuant to this part.

(c) Workforce development grant award amounts shall be determined based on the following criteria:

(1) Demonstrated need for early learning and care professionals in each county or region.

(2) The cost of living in each county or region.

(3) The number of children under 13 years of age in each county or region who are in a family whose income is up to 85 percent of the state median income.

(d) Workforce development grants may be used for costs associated with the educational expenses of current and future early learning and care professionals that move those professionals along the early learning and care career lattice and support their attainment of increased education or English language proficiency, as well as professional development in early childhood instruction or child development, including developing competencies in serving children with exceptional needs and dual language learners. Allowable uses of funds include:

(1) Tuition, supplies, and other related educational expenses.

(2) Transportation and child care costs incurred as a result of attending classes.

(3) Substitute teacher pay for early learning and care professionals that are currently working in a subsidized early learning and care setting.

(4) Stipends and professional development expenses, aligned to the Quality Counts California professional development system in that area, as determined by the Superintendent of Public Instruction.

(5) Career, course, and professional development coaching, counseling, and navigation services.

(6) Other educational expenses as determined by the Superintendent of Public Instruction.

(e) Local, regional, or local and regional quality improvement partnerships awarded funding pursuant to this section may partner with local or online accredited higher education institutions, local agencies that provide high-quality, credit-bearing trainings, or apprenticeship programs that integrate and embed higher education coursework with on-the-job training of professionals.

(f) The Superintendent of Public Instruction may set aside no more than 1 percent of the total funding appropriated for the Early Learning and Care Workforce Development Grants Program to provide technical assistance and support for grantees and potential grantees on developing proposals for and implementing workforce development grants.

(g) Local, regional, or local and regional quality improvement partnerships receiving grants shall commit to providing program data to the State Department of Education, as specified by the Superintendent of Public Instruction, including, but not limited to, recipient information, educational progress, and employment status, and participate in overall program evaluation.

(h) The Superintendent of Public Instruction shall provide a report to the Governor as well as the appropriate policy and fiscal committees of the Legislature by October 1 of any year in which grants are awarded pursuant to this section on the expenditure of funds as well as relevant outcome data in order to evaluate the impact of the program.

(i) Notwithstanding any other provision of this section, the Superintendent of Public Instruction, with the concurrence of the executive director of the State Board of Education, shall recommend to the Department of Finance and the budget committees of the Legislature by January 1, 2021, any changes to the funding methodology in this section related to the recommendations and priorities provided pursuant to former Section 8207 of the Education Code.

CHAPTER 15. Transfer of Information

10315. (a) The Legislature finds and declares that the state makes a substantial, annual investment in preschool, infant and toddler, and schoolage child development programs for eligible families. It is in the best interests of children and their families, and the taxpayers of California, to have information about the development and learning abilities of children developed in these settings, health and other information transferred to, or otherwise available to, the pupil's elementary school.

(b) When a child in a state-funded preschool or infant and toddler program will be transferring to a local public school, the preschool or infant and toddler program shall provide the parent or guardian with information from the previous year deemed beneficial to the pupil and the public school teacher, including, but not limited to, development issues, social interaction abilities, health background, and diagnostic assessments, if any. The preschool or infant and toddler program may, with the permission of the parent or guardian, transfer this information to the pupil's elementary school.

(c) Any child who has participated in a state subsidized preschool that maintains results-based standards, including the desired results accountability system, may have the performance information transferred to any subsequent or concurrent public school setting. Any transferred information shall be in summary form and only accomplished with the permission of the parent or guardian.

CHAPTER 16. Early Childhood Policy Council

10320. (a) The Early Childhood Policy Council is hereby established to advise the Governor, the Legislature, and the department on statewide early learning and care policy, including the planning for, and the implementation and evaluation of, the state's Master Plan for Early Learning and Care and the 2019 California Assembly Blue Ribbon Commission on Early Childhood Education Final Report.

(b) (1) The council shall maintain at least two ongoing standing advisory committees: a parent advisory committee appointed pursuant to subdivision (e) and a workforce advisory committee appointed pursuant to subdivision (f).

(2) The council shall include 27 members who shall serve at the pleasure of their appointing authority as follows:

(A) Fourteen members appointed by the Governor, including those required pursuant to Section 9837b of Title 42 of the United States Code. One of the Governor's appointees shall be the chairperson of the council.

(B) Four members appointed by the Speaker of the Assembly.

(C) Four members appointed by the Senate Committee on Rules.

(D) One member appointed by the Superintendent of Public Instruction.

(E) Two members of the parent advisory committee, appointed by that committee.

(F) Two members of the workforce advisory committee, appointed by that committee.

(3) Members of the council shall include stakeholder representatives reflecting the comprehensive child care system; represent the ethnic, racial, and language diversity of the state; and represent geographic diversity and those communities separated from opportunity due to poverty, racial bias, language, geographic isolation, disability, and other factors.

(4) Members of the council shall serve no longer than six years.

(5) To the extent funding for the council is provided in the annual Budget Act, language interpretation services shall be provided at convenings of the council and its committees to ensure language access and meaningful participation.

(6) To the extent funding for the council is provided in the annual Budget Act, members of the council or its committees who are provider participants or parent representatives shall be reimbursed as necessary for their reasonable expenses, including travel, a stipend to cover child care costs, lost wages, and expenses for substitutes for attending council meetings.

(c) The council shall do all of the following:

(1) Convene at least four public meetings per year. These meetings shall provide access for participants throughout the state.

(2) Advise the Governor and perform activities required pursuant to Section 9837b of Title 42 of the United States Code.

(3) Prepare a formal public annual report on the work of the council.

(4) Provide specific recommendations directly to the Governor, the Legislature, and the department on all aspects of the state's early childhood education system, including on the following topics:

(A) Equity, with consideration for demographic, geographic, and economic diversity, and with a focus on family-centered two-generation approaches.

(B) Opportunities to incorporate a support model of accountability, as opposed to a compliance model of accountability, into the state's early childhood education system.

(C) Ways that the state's Master Plan for Early Learning and Care and the 2019 California Assembly Blue Ribbon Commission on Early Childhood Education Final Report can be updated and improved.

(d) Staff for the council and its committees shall be provided by the California Health and Human Services Agency. From funding appropriated for purposes of this section, up to three hundred thousand dollars (\$300,000) may be used by the California Health and Human Services Agency for the costs to provide staff for the council and its committees.

(e) (1) The parent advisory committee shall be a standing committee of the council.

(2) The parent advisory committee shall include nine members who shall serve at the pleasure of their appointing authority as follows:

(A) Three members appointed by the Governor, including one consumer who receives services from a child care center provider, one consumer who is on a subsidy waiting list at the time of the appointment, and one consumer who is a parent of a child with exceptional needs, as defined in Section 10213.5, who receives services from a child care provider.

(B) Three members appointed by the Speaker of the Assembly, including one consumer who receives services from a family child care home provider or a family, friend, or neighbor provider, one consumer who is a current or former CalWORKs child care recipient, and one consumer who is connected to the child welfare system.

(C) Three members appointed by the Senate Committee on Rules, including one consumer who receives services from a transitional kindergarten provider, one consumer who represents a tribal organization who receives services from a child care provider, and one consumer who pays privately for child care.

(3) The Governor shall designate the chairperson of the parent advisory committee.

(4) If a person cannot be found to satisfy the requirements of paragraph (2), the appointing authority may designate an alternate committee member.

(5) The parent advisory committee shall provide recommendations to the council and other entities on all aspects of early childhood education, including all of the following:

(A) Equity, access, and best practices for engaging families.

(B) Creating warm and welcoming care environments.

(C) How to develop local and state partnerships to support the best outcomes for families that interact with the state's early childhood education system.

(f) (1) The workforce advisory committee shall be a standing committee of the council.

(2) The workforce advisory committee shall include nine members who shall serve at the pleasure of their appointing authority as follows:

(A) Three members appointed by the Governor, including one licensed family child care home provider, one center-based child care director from a subsidized child care program, and one representative from a statewide organization representing child care providers.

(B) Three members appointed by the Speaker of the Assembly, including one family, friend, or neighbor child care provider, one representative from a Head Start program provider, and one representative from a community college that operates a program that provides early child care education coursework and laboratory school experience.

(C) Three members appointed by the Senate Committee on Rules, including one representative from a child care provider experienced in providing services to children with exceptional needs, as defined in Section 10213.5, in a full-inclusion environment, one center-based child care teacher from a subsidized child care program, and one provider who provides services to children from a tribal organization.

(3) The Governor shall designate the chairperson of the workforce advisory committee.

(4) If a person cannot be found to satisfy the requirements of paragraph (2), the appointing authority may designate an alternate committee member.

(5) The workforce advisory committee shall provide recommendations to the council and other entities on all aspects of early childhood education on an ongoing basis.

CHAPTER 17. Local Programs

10330. The governing board of any school district or a county superintendent of schools with the approval of the county board of education is authorized to establish and maintain child development programs upon the approval of, and subject to the regulations of the department.

10331. (a) The county superintendent of schools in each county, with the approval of the county board of education and the department, shall have the authority to establish and maintain child development programs and centers in the same manner and to the same extent as governing boards of school or community college districts, except that nothing in this section shall be construed as vesting in the county superintendents of schools any authority to alone effect the levy and collection of any county, school, or other local taxes for the support of any child development programs and centers.

(b) The establishment and maintenance of any child development program and center by the county superintendent of schools shall be undertaken, subject to the prior approval of both the county board of education and the department, upon the application of one or more school districts under their jurisdiction.

10332. The governing board of any school district or the county superintendent of schools may do the following:

(a) Accommodate in a child development facility maintained by it children residing in another district, upon terms and under conditions agreed upon by the governing boards of both districts.

(b) Permit the use of, and furnish maintenance for, buildings, grounds, and equipment, and the use of existing administrative personnel for the purposes of this chapter.

(c) Adopt reasonable rules and regulations governing the child development services or facilities maintained by it that are not in conflict with law or the standards and regulations established for child development services by the department.

10333. The employees of school districts or community college districts, or county superintendents of schools in preschool and other types of child development services under this division shall have the same rights and privileges as are granted to

employees of the same agencies in children's centers.

10334. Notwithstanding any other provisions of this chapter, a public or private agency, a school district, a community college district or a county superintendent of schools operating child development facilities may enter into an agreement with the Employment Development Department which will provide an opportunity to participants in work incentive programs under Division 2 (commencing with Section 5000) of the Unemployment Insurance Code for training in child development facilities. Training pursuant to such agreement shall have the objective of preparation for a career in the field of child development.

10335. Notwithstanding any other provision of this chapter, the governing board of a school district or community college district, county superintendent of schools, or other unit of local general purpose government may enter into agreements with any city, city and county, or other public agency, or with a private foundation or nonprofit corporation, for the furnishing to, or use by, the governing board, county superintendent of schools, or other unit of local general purpose government in carrying out the provisions of this part, of property, facilities, personnel, supplies, equipment and other necessary items and such city, county, city and county, other public agency, or private foundation or nonprofit corporation, is authorized to enter into such agreements.

10336. (a) The governing board of any school district or the county superintendent of schools shall establish in the county treasury a fund to be known as the "child development fund" into which shall be paid all funds received by the district or the county for, or from the operation of, child development services under this chapter. The costs incurred in the maintenance and operation of child development services shall be paid from the fund, with accounting to reflect specific funding sources.

(b) Funds of a district derived from the receipt of district taxes or derived from moneys apportioned to the district for the support of schools thereof, in addition to state moneys appropriated for the support of child development services, fees, and federal funds, may be expended for, or in connection with child development services.

10337. The governing board of any school district maintaining a child development program may include in its budget the amount necessary to initiate, operate, and maintain a child development program pursuant to this chapter and the board of supervisors shall levy a school district tax necessary to raise that amount. The tax shall be in addition to any other school district tax authorized by law to be levied.

CHAPTER 18. Individualized Counties of Alameda, Contra Costa, Fresno, Marin, Monterey, San Benito, San Diego, Santa Clara, Santa Cruz, Solano, and Sonoma Child Care Subsidy Plans

10340. 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.

10341. For purposes of this chapter, "county" means the Counties of Alameda, Contra Costa, Fresno, Marin, Monterey, San Benito, San Diego, Santa Clara, Santa Cruz, Solano, and Sonoma.

10342. (a) For purposes of this chapter, "plan" means an individualized county child care subsidy plan developed and approved under the pilot project described in Section 10340, 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 10486.

(B) Data collected by resource and referral agencies pursuant to subparagraph (B) of paragraph (3) of subdivision (a) of Section 10219.

(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 10290 of this code or Section 8252 of Education Code, as applicable, for those families who are income eligible, as defined by Section 10271.5 of this code or Section 8213 of the Education Code, as applicable, and provide the exemptions for family fees specified in Section 10291 of this code or Section 8253 of the Education Code, as applicable.

(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 10344.

(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 Chapter 21 (commencing with Section 10370), 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 Chapter 21 (commencing with Section 10370). 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 Chapter 21 (commencing with Section 10370) 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 10271.5 of this code or Section 8213 of the Education Code, as applicable.

(iii) Reimbursement rates, including adjustment factors identified in Section 10281.5 of this code or Section 8244 of the Education Code, as applicable.

(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.

(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.

10343. 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.

10344. (a) (1) The plan shall be submitted to the local planning council, as defined in subdivision (g) of Section 10480, 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.

(c) Plan modifications, including subsequent rate changes, shall be submitted to the local planning council, as defined in subdivision (g) of Section 10480, 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 chapter or that are in conflict with federal law.

10345. (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 10346, 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 10346, 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 10346, 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.

10346. (a) Using a template developed by the department, the county shall prepare and submit to the Legislature 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.

(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.

10347. A participating contractor shall receive an increase or decrease in funding that the contractor would have received if the contractor had not participated in the plan.

10348. (a) For the County of Santa Clara, this chapter 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 Counties of Alameda, Contra Costa, Fresno, Marin, Monterey, San Benito, San Diego, Santa Cruz, Solano, and Sonoma, this chapter 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.

10349. 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 chapter 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.

10349.5. Commencing on the effective date of the act that added this section, the components of the plan relating to preschool shall be overseen by the State Department of Education and the components of the plan addressing all other child care programs shall be overseen by the department.

CHAPTER 19. Child Care Subsidy Plan for the City and County of San Francisco

10350. The City and County of San Francisco may develop and implement an individualized county child care subsidy plan. The plan shall ensure that child care subsidies received by the city and county are used to address local needs, conditions, and priorities of working families in the community.

10351. 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 10290 of this code or Section 8252 of Education Code, as applicable, for those families that are income eligible, as defined by Section 10271.5 of this code or Section 8213 of the Education Code, as applicable.

(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 10352, or modified pursuant to subdivision (c) of Section 10352.

(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 Chapter 21 (commencing with Section 10370), 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 Chapter 21 (commencing with Section 10370). 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 Chapter 21 (commencing with Section 10370) 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 10271.5 of this code or Section 8213 of the Education Code, as applicable.

(C) Reimbursement rates, including adjustment factors identified in Section 10281.5 of this code or Section 8244 of the Education Code, as applicable.

(D) 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.

(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 department 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 10352.

(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.

10352. (a) The plan shall be submitted to the local planning council, as defined in subdivision (g) of Section 10480, 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 chapter or Chapter 18 (commencing with Section 10340) or that are in conflict with federal law.

10353. (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 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.

10354. Any modifications to the plan shall be submitted in conformance with the procedures established in Chapter 18 (commencing with Section 10340).

10355. A participating contractor shall receive any increase or decrease in funding that the contractor would have received if the contractor had not participated in the local subsidy plan established by this chapter.

10356. Commencing on the effective date of the act that added this section, the components of the plan relating to preschool shall be overseen by the State Department of Education and the components of the plan addressing all other child care programs shall be overseen by the department.

CHAPTER 20. Individualized County of San Mateo Child Care Subsidy Plan

10360. On and after July 1, 2014, the individualized county child care subsidy plan for the County of San Mateo that was developed as a pilot project pursuant to Article 15.3 (commencing with Section 8340) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, as that article read on January 1, 2013, may continue in existence and may be implemented in accordance with the provisions of this chapter. The plan shall ensure that child care subsidies received by the County of San Mateo are used to address local needs, conditions, and priorities of working families in those communities.

10361. For purposes of this chapter, "county" means the County of San Mateo.

10362. For purposes of this chapter, "plan" means an individualized county child care subsidy plan developed and approved as described in Section 10360, 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 10290 of this code or Section 8252 of Education Code, as applicable, for those families that are income eligible, as defined by Section 10271.5 of this code or Section 8213 of the

Education Code, as applicable.

(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 10363.

(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 Chapter 21 (commencing with Section 10370), 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 Chapter 21 (commencing with Section 10370). 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 Chapter 21 (commencing with Section 10370) 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 10271.5 of this code or Section 8213 of the Education Code, as applicable.

(C) Reimbursement rates, including adjustment factors identified in Section 10281.5 of this code or Section 8244 of the Education Code, as applicable.

(D) 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.

(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.

10363. (a) Except as provided in this section, any modifications to the plan shall be submitted in accordance with the modification procedures described in Chapter 18 (commencing with Section 10340).

(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 chapter or Chapter 18 (commencing with Section 10340) or that are in conflict with federal law.

10364. (a) The county shall at least once every three years, using the template developed by the department, prepare and submit to the Legislature 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.

10365. A participating contractor shall receive any increase or decrease in funding that the contractor would have received if the contractor had not participated in the plan.

10366. Commencing on the effective date of the act that added this section, the components of the plan relating to preschool shall be overseen by the State Department of Education and the components of the plan addressing all other child care programs shall be overseen by the department.

CHAPTER 21. Child Care for Recipients of the CalWORKs Program

10370. (a) It is the intent of the Legislature in enacting this chapter to ensure that recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3, or any successor program, and former recipients who have left aid for employment, are connected as soon as possible to local child care resources, make stable child care arrangements, and continue to receive subsidized child care services after they no longer receive aid as long as they require those services and meet the eligibility requirements set forth in Sections 10271 and 10271.5.

(b) This chapter establishes three stages of child care services through which a recipient of aid under Chapter 2 (commencing with Section 11200) of Part 3, or any successor program, will pass. Further, as families' child care needs are met by county welfare departments and later by other local child care and development contractors, it is the intent of the Legislature that families experience no break in their child care services due to a transition between the three stages of child care services.

(c) In order to ensure that there is no disruption in child care services due to the planned transitions between the stages of CalWORKs child care, the first stage or the second stage of child care services shall not be discontinued until confirmation is received from the administrator of the subsequent stage of child care that the family has been enrolled in the subsequent stage of child care, or that the family is ineligible for services in the subsequent stage of child care.

10370.5. Current CalWORKs recipients are eligible for all child care services under this chapter as long as they continue to receive aid under Chapter 2 (commencing with Section 11200) of Part 3, or any successor program. Family size and income, for purposes of calculating family fees, shall be determined pursuant to Section 10271.

10371. (a) The county welfare department shall manage the first stage during which a family shall receive a child care subsidy for any legal care chosen by the parent. The first stage begins upon the entry of a person into the program prescribed by Chapter 2 (commencing with Section 11200) of Part 3.

(b) A county shall move recipients out of this first response stage as quickly as possible after the county determines that the need for child care is stable. A recipient may be served in this stage for a maximum of six months. The six-month time limit may be extended if the county determines that the recipient's situation is too unstable to be shifted to the second stage or if no funds are available to provide child care services in the second stage.

(c) Former CalWORKs recipients who cannot be transitioned from the first stage of child care because no funded slot is available are eligible to receive the first stage and any subsequent stage two child care services for up to a total of 24 months after they leave cash aid, or until they are otherwise ineligible within that 24-month period. Family size and income for purposes of determining eligibility and family fee shall be determined pursuant to Sections 10271 and 10271.5.

(d) The county welfare department shall also begin the first stage of child care when an individual who applies for aid under the program described in Chapter 2 (commencing with Section 11200) of Part 3 is participating as a volunteer pursuant to Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3.

(e) A county may contract with public or private child care providers to provide any or all of the services during the first stage. If the county welfare department elects to contract with any child care provider that is also under contract with the department, these contracts shall be consistent with state law.

10371.5. (a) As soon as appropriate, a county welfare department shall refer families needing child care services to the local child care resource and referral program funded pursuant to Chapter 2 (commencing with Section 10217). Resource and referral program staff shall colocate with a county welfare department's case management offices for aid under Chapter 2 (commencing with Section 11200) of Part 3, or any successor program, or arrange other means of swift communication with parents and case managers of this aid. The local child care resource and referral program shall assist families to establish stable child care arrangements as soon as possible. These child care arrangements may include licensed and license-exempt care.

(b) A program operating pursuant to this chapter shall, within two business days of being notified of a revocation or a temporary suspension order for a licensed child day care facility, do both of the following:

- (1) Terminate payment to the facility.

(2) Notify each parent and the facility in writing that payment has been terminated and the reason for the termination.

(c) A program operating pursuant to this chapter shall, upon being notified that a licensed child care facility has been placed on probation, provide written notice to each parent utilizing the facility that the facility has been placed on probation and that the parent has the option of selecting a different child day care provider or remaining with the facility without risk of subsidy payments to the provider being terminated. The Legislature urges each agency operating pursuant to this section to provide the written notice required by this subdivision in the primary language of the parent, to the extent feasible.

10372. (a) The second stage of child care begins when the county determines that the recipient's work or approved work activity is stable or when a recipient is transitioning off of aid and child care is available through a local stage two program. Second stage child care may be provided to a family who elects to receive a lump-sum diversion payment or diversion services under Section 11266.5 when a funded space is not immediately available for the family in third stage. The local stage two agency shall assist in moving families to stage three as quickly as feasible. Former CalWORKs recipients are eligible to receive child care services in stage one and stage two for up to a total of no more than 24 months after they leave cash aid, or until they are otherwise ineligible within that 24-month period. Family size and income for purposes of determining eligibility and calculating the family fee shall be determined pursuant to Sections 10271 and 10271.5. A family leaving cash aid under the CalWORKs program shall receive up to two years of child care, if otherwise eligible, as needed to continue the family's employment. The provision of the two-year time limit is not intended to limit eligibility for child care under Section 10372.5.

(b) The second stage shall be administered by agencies contracting with the department. These contractors may be either agencies that have an alternative payment contract pursuant to Section 10225.5 or county welfare departments that choose to administer this stage in order to continue to provide child care services for recipients or former recipients of aid. If the county chooses to contract with the department to provide alternative payment services, this contract shall not displace, or result in the reduction of an existing contract of, a current alternative payment program.

10372.5. (a) The third stage of child care begins when a funded space is available. CalWORKs recipients are eligible for the third stage of child care. Persons who received a lump-sum diversion payment or diversion services and former CalWORKs participants are eligible if they have an income that does not exceed 70 percent of the state median income pursuant to Section 10271.5. The third stage shall be administered by programs contracting with the department. Parents' eligibility for child care and development services will be governed by Section 10271 and regulations adopted by the department.

(b) In order to move welfare recipients and former recipients from their relationship with county welfare departments to relationships with institutions providing services to working families, it is the intent of the Legislature that families that are former recipients of aid, or are transitioning off aid, receive their child care assistance in the same fashion as other low-income working families. Therefore, it is the intent of the Legislature that families no longer rely on county welfare departments to obtain child care subsidies beyond the time they are receiving other services from the welfare department.

(c) A county welfare department shall not administer the third stage of child care for CalWORKs recipients except to the extent to which it delivered those services to families receiving, or within one year of having received, Aid to Families with Dependent Children prior to the enactment of this section.

(d) This chapter does not preclude county welfare departments from operating an alternative payment program under contract with the department to serve families referred by child protective services.

10373. Child care during the third stage may be funded with moneys dedicated to current and former recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3, or any successor program, including the federal funds appropriated to alternative payment program contractors in the 1996–97 fiscal year using the Budget Act's Section 28 process as described in subdivision (b). Nothing shall prevent child care services provided under stage three from being funded with moneys from other federal or state sources. Nothing in this chapter shall preclude current and former recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3, or any successor program, from receiving child care services pursuant to other provisions of this chapter.

10373.5. It is the intent of the Legislature that the department work with Head Start and state preschool programs to generate extended-day and evening care for recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3, or any successor program, through recruiting and training parents to be licensed and license-exempt care providers and shall facilitate connections between Head Start and state preschool contractors and child care certificate administrators, including counties and other alternative payment programs, so that funds available for Sections 10371, 10372, and 10372.5 cover the cost of this care.

10374. It is the intent of the Legislature that each county receive funding for child care services provided in stage two that is at least equivalent to the amount of funding received in the 1996–97 fiscal year for income disregard pursuant to Section 11451.6 and supplemental child care pursuant to Section 11451.7.

10374.5. (a) The cost of child care services provided under this chapter shall be governed by regional market rates. Recipients of child care services provided pursuant to this chapter shall be allowed to choose the child care services of licensed child care providers or child care providers who, by law, are not required to be licensed, and the cost of that child care shall be reimbursed by counties or agencies that contract with the department if the cost is within the regional market rate. For purposes of this section, "regional market rate" means care costing no more than 1.5 market standard deviations above the mean cost of care for that region. It is the intent of the Legislature to reimburse child care providers at the 85th percentile of the most recent regional market rate survey.

(b) (1) The regional market rate ceilings shall be established at the greater of either of the following:

(A) The 75th percentile of the 2016 regional market rate survey for that region.

(B) The regional market rate ceiling that existed in that region on December 31, 2017.

(2) Commencing January 1, 2022, the regional market rate ceilings shall be established at the greater of either of the following:

(A) The 75th percentile of the 2018 regional market rate survey for that region.

(B) The regional market rate ceiling that existed in that region on December 31, 2021.

(c) (1) Reimbursement to license-exempt child care providers shall not exceed 70 percent of the family child care home rate established pursuant to subdivision (b).

(2) Commencing January 1, 2022, license-exempt child care providers shall be reimbursed at 70 percent of the family child care home rate established pursuant to subdivision (b), including hourly, daily, weekly, and monthly, for both full- and part-time reimbursement categories.

(d) (1) In accordance with federal requirements for Child Care Stabilization Grants appropriated pursuant to the federal American Rescue Plan Act of 2021 (Public Law 117-2), child care providers shall provide information via a one-time application or survey in advance of receiving American Rescue Plan Act funds pursuant to paragraph (2) of subdivision (b) or paragraph (2) of subdivision (c). The department shall specify the timeline and format in which this information shall be submitted, and information shall include, but not be limited to, all of the following:

(A) Address, including ZIP Code.

(B) Race and ethnicity.

(C) Gender.

(D) Whether the provider is open and available to provide child care services or closed due to the COVID-19 public health emergency.

(E) What types of federal relief funds have been received from the state.

(F) Use of federal relief funds received.

(G) Documentation that the provider met certifications as required by federal law.

(2) Rate increases shall be subject to federal usage limitations and federal and state program eligibility requirements.

(e) Reimbursement to child care providers shall not exceed the fee charged to private clients for the same service.

(f) Reimbursement shall not be made for child care services when care is provided by parents, legal guardians, or members of the assistance unit.

(g) A child care provider located on an Indian reservation or rancheria and exempted from state licensing requirements shall meet applicable tribal standards.

(h) For purposes of this section, "reimbursement" means a direct payment to the provider of child care services, including license-exempt providers. If care is provided in the home of the recipient, payment may be made to the parent as the employer, and the parent shall be informed of their concomitant legal and financial reporting requirements. To allow time for the development of the administrative systems necessary to issue direct payments to providers, for a period not to exceed six months, a county or an alternative payment agency contracting with the department may reimburse the cost of child care services through a direct payment to a recipient of aid rather than to the child care provider.

(i) Counties and alternative payment programs shall not be bound by the rate limits described in subdivisions (a) and (b), when there are, in the region, no more than two child care providers of the type needed by the recipient of child care services provided under this chapter.

(j) (1) Notwithstanding any other law, reimbursements to child care providers based upon a daily rate may only be authorized under either of the following circumstances:

(A) A family has an unscheduled but documented need of six hours or more per occurrence, such as the parent's need to work on a regularly scheduled day off, that exceeds the certified need for child care.

(B) A family has a documented need of six hours or more per day that exceeds no more than 14 days per month. Reimbursements to a child care provider based on the daily rate over one month's time shall not exceed the child care provider's equivalent full-time monthly rate or applicable monthly ceiling.

(2) This subdivision shall not limit child care providers from being reimbursed for services using a weekly or monthly rate, pursuant to subdivision (c) of Section 10228.

10375. (a) By January 31, 1998, the State Department of Education and the State Department of Social Services shall design a form for license-exempt child care providers to use for certifying health and safety requirements to the extent required by federal law. Until the form is adopted, the information required pursuant to Section 11324 shall continue to be maintained by the county welfare department or contractor, as appropriate.

(b) By January 31, 1998, the State Department of Education and the State Department of Social Services shall do both of the following:

(1) Design a standard process for complaints by parents about the provision of child care that is exempt from licensure.

(2) Design, in consultation with local planning councils, a single application for all child care programs and all families.

(c) (1) County welfare departments and alternative payment programs shall encourage all providers who are licensed or who are exempt from licensure and who are providing care under Section 10371, 10372, or 10372.5 to secure training and education in basic child development.

(2) Child care provider job training provided to CalWORKs recipients that is funded by either the State Department of Education or the State Department of Social Services shall include information on becoming a licensed child care provider.

(d) The department shall increase consumer education and consumer awareness activities so that parents will have the information needed to seek child care of high quality. High-quality child care shall include both licensed and license-exempt care.

10375.5. Notwithstanding any other confidentiality requirement, the government or private agency administering subsidized child care services shall share information necessary for the administration of the child care programs pursuant to this chapter and the CalWORKs program pursuant to Chapter 2 (commencing with Section 11200) of Part 3, for the time period for which the person receives child care.

10376. (a) County welfare departments and alternative payment programs shall provide to the department and the local planning council, on a monthly basis, data about child care usage and demand in each of the three stages. The department shall forward this data quarterly to the Department of Finance and the Joint Legislative Budget Committee for fiscal planning.

(b) By January 10 of each year, the Department of Finance shall present to the respective legislative budget committees an estimate of the cost of funding the expected demand for child care as described in subdivision (a) of Section 10371 and Sections 10372 and 10372.5.

10376.5. (a) It is the intent of the Legislature in enacting this chapter to provide sufficient funding through an appropriation in the annual Budget Act to fund the estimated cost of providing child care for all individuals who are anticipated to need child care to participate in the welfare-to-work programs and to transition to work.

(b) It is the intent of the Legislature that child care and development contracts in existence on the effective date of this section be allowed to continue until the end of the 1997–98 fiscal year.

(c) Funding for purposes of implementing this chapter shall be appropriated in the annual Budget Act.

CHAPTER 22. Child Development Program Personnel Qualifications

10380. (a) (1) Child development programs shall include a career ladder program for classroom staff. Persons who are 18 years of age and older may be employed as aides and may be eligible for salary increases upon the completion of additional semester

units in early childhood education or child development. The governing board of each contracting agency shall be encouraged to provide teachers and aides with salary increases for the successful completion of early childhood education or child development courses in six semester unit increments.

(2) Persons employed as teachers shall possess a permit issued by the Commission on Teacher Credentialing authorizing service in the care, development, and instruction of children in a child care and development program.

(b) A person who meets the following criteria is eligible to serve in an instructional capacity in a child care and development program:

(1) Possesses a current credential issued by the Commission on Teacher Credentialing authorizing teaching service in elementary school or a single subject credential in home economics.

(2) Twelve units in early childhood education or child development, or both, or two years' experience in early childhood education or a child care and development program.

10380.5. Except as waived under Section 10242 and except as stated in Section 18203 of Title 5 of the California Code of Regulations regarding program directors in schoolage community child care services programs, any entity operating child care and development programs providing direct services to children, as defined in Section 10242, at two or more sites, shall employ a program director who possesses one of the following:

(a) A permit issued by the Commission on Teacher Credentialing authorizing supervision of a child care and development program operating in multiple sites.

(b) Any person who meets the following criteria is eligible to supervise a child care and development program operating in multiple sites and serve in an instructional capacity in a child care and development program:

(1) Possesses a current credential issued by the Commission on Teacher Credentialing authorizing teaching service in elementary school or a single subject credential in home economics.

(2) Six units in administration and supervision of early childhood education or child development, or both. The requirement set forth in this paragraph does not apply to any person who was employed as a program director prior to January 1, 1993, in a child care and development program receiving funding under this chapter.

(3) Twelve units in early childhood education or child development, or both, or at least two years' experience in early childhood education or a child care and development program.

(c) A waiver issued by the department pursuant to Section 10242.

10381. Not later than 95 days after the governing board of a public agency sets the date a person employed by that board shall begin service in a position requiring a children's center instructional permit or a children's center supervision permit, that person shall file, on or before that date, with the county superintendent of schools a valid permit issued on or before that date, authorizing the person to serve in a position for which the person was employed. Upon renewal of that permit, that person shall file that renewal with the county superintendent of schools no later than 95 days after the renewal.

10381.5. Notwithstanding Sections 10380 and 10380.5, any person serving as a teacher or program director in a child care and development program that provides service to severely disabled children, as defined in Section 10213.5, pursuant to subdivision (d) of Section 10260, shall hold an appropriate child care and development permit, be deemed to hold that permit pursuant to subdivision (b) of Section 10380 or pursuant to Section 10380.5, or meet one or more of the following options:

(a) Is a teacher meeting one of the following criteria:

(1) Has completed all the following:

(A) Twenty-four semester units of coursework, with a "C" or better average, from an accredited institution in any one or a combination of the following areas: psychology, sociology, special education, physical education, recreation therapy, vocational education, early childhood education, and child development.

(B) Sixteen semester units of coursework in general education, including one course in each of the following areas: humanities, social sciences, math or science, or both, and English.

(C) Completed one of the following:

(i) Two experience periods as a paid aide or assistant in a program serving children with exceptional needs or children who are severely disabled.

(ii) Three experience periods as a volunteer in an instructional capacity in a program serving children with exceptional needs or children who are severely disabled.

(iii) (I) Two or more semester units of supervised field coursework in a child care and development program at an accredited institution, plus one experience period in a program serving children with exceptional needs or children who are severely disabled.

(II) For purposes of this subparagraph, "experience period" means paid or volunteer services in a program serving children with exceptional needs or children who are severely disabled for not less than 200 hours. Those services shall have been provided for a minimum of two hours per day during not more than 36 consecutive months.

(2) Holds a California special education credential.

(b) Is a program director meeting one of the following criteria:

(1) Holds a California special education credential.

(2) Holds a professional credential, license, or masters degree in psychology, social work, special education, physical education, recreation therapy, vocational education, counseling, early childhood education, or child development, and has completed six semester units of administration and supervision of early childhood education or child development programs, or both.

(c) Was employed prior to January 1, 1993, as a teacher or program director in a child care and development program that provides services to severely disabled children.

10382. Notwithstanding any other provision of law, a high school student or any other adult shall be selected by the governing board of a public or private agency as defined in Section 10221 to serve as nonteaching personnel to perform noninstructional work. A career ladder shall be utilized in the employment and promotion of such noninstructional personnel. Each such person shall have had a health examination made within the 12-month period preceding the date of employment. Each person shall also submit duplicate personal identification cards upon which shall appear legible fingerprints and a personal description of the applicant.

10382.5. The same fee as that prescribed for a credential provided in Section 44235 of the Education Code shall be charged for either the issuance or renewal of each child development permit authorizing service in the supervision and instruction of children in child development programs or authorizing service as a supervisor in a program.

10383. The Commission on Teacher Credentialing shall by rule or regulation establish the requirements for the following:

(a) The issuance and the renewal of permits authorizing service in the care, development, and instruction of children in child care and development programs, as well as the issuance of emergency permits for this purpose.

(b) The issuance and renewal of permits authorizing supervision of a child care and development program, as well as the issuance of emergency permits for this purpose.

(c) The periods of duration of the permits set forth in this section.

10384.5. Each county or city and county board of education or community colleges board may issue temporary certificates for the purpose of authorizing salary payments to child development employees whose child development permit applications are being processed. The applicant for such a temporary certificate shall make a statement under oath that the employee has duly filed their application for a permit together with the required fee and that to the best of their knowledge no reason exists why the employee should not be issued a permit. A certificate shall be valid for not more than 90 schooldays and only until the permit originally requested is either issued or denied by the Commission for Teacher Preparation and Licensing.

10385. (a) A person employed by a public or private agency in a position requiring a child development permit for the supervision and instruction of children, or for service as a physician, dentist, or nurse, or in the supervision of the child development program, shall be deemed to be employed in a position requiring certification qualifications.

(b) Each other person employed by an agency in a child development program under the provisions of this chapter shall be deemed for all purposes, including retirement, to be a person employed by the agency in a position not requiring certification qualifications.

(c) A district may lay off an employee required to have such a permit at any time during the school year for lack of work or lack of funds or may provide for the employee's employment for not to exceed 90 days in any one school year on an intermittent basis which shall not be deemed probationary service. The order of layoff shall be determined by length of service. The employee who has served the shortest time shall be laid off first, except that no permanent employee shall be laid off ahead of a probationary employee. A permanent employee who has been laid off shall hold reinstatement rights for a period of 39 months from the date of layoff.

(d) Service performed prior to September 18, 1959, shall not be included in computing the service required as a prerequisite for attainment of, or eligibility to, classification as a permanent child development employee.

(e) A person who is employed by an agency as a probationary employee in a position requiring a child development permit for the supervision and instruction of children, or for service as a physician, dentist, or nurse, or in the supervision of the children's program and who has served in such a position for three complete consecutive school years as defined in Section 44908 or 87468 and Section 44975 of the Education Code or Section 87776 of the Education Code immediately prior to September 18, 1959, may be dismissed only in accordance with the provisions of Section 44949 or 87740 of the Education Code.

(f) Other persons who are employed as probationary employees in positions requiring such permits on or after September 18, 1959, may be dismissed in accordance with the provisions of Section 44949 or 87740 of the Education Code.

10387. Every employee of a child development program who before their employment in the program was employed by the agency maintaining such program in a position entitling the employee to membership in, and who was a member of, the retirement system maintained by such district, and if such employee's contributions to such retirement system were returned to the employee when the employee was employed in the program, such employee shall have the right to elect, by written document filed with the Board of Administration, Public Employees' Retirement System, at any time within 90 days after the date upon which the notice of the right to make such election is mailed by such system, either to the member's latest address on file in the office of such system, or to the office of the governing board of such agency or agencies, and prior to the date of retirement, to contribute to such system, subject to minimum payments fixed by the Board of Administration, and in one or more sums, or in not to exceed 60 monthly payments, an amount which, when added to the employee's accumulated contributions, including interest, transferred as required in paragraph (1) of subdivision (b) of Section 24810 of the Education Code, will make a total amount equal to the accumulated contributions, including interest, which would have been credited to the employee in such plan, if the employee had never had their contributions returned to them. Such employee shall pay to the Public Employees' Retirement System interest on the unpaid balance of the amount payable to such system, beginning with the date of transfer, at the rate of interest currently used from time to time under the system. If such employee elects to make, and makes, such contributions and pays such interest, but not otherwise, the employee shall receive credit under such employees' system, as state service, for all prior service rendered while the employee was not a member of such plan.

10387.5. The Commission on Teacher Credentialing shall establish standards for the issuance of the permits herein provided for. The standards may be changed from time to time, but changes therein shall not affect then valid permits issued to persons.

CHAPTER 22.5. Fraud and Overpayments

10388. (a) (1) The State Department of Education, in consultation with the State Department of Social Services, county fraud investigators, and other fraud investigation experts, shall perform an error rate study to estimate the percentage of errors, including, but not limited to, overpayments and fraud, in determinations of eligibility, the need for child care pursuant to paragraph (2) of subdivision (c) of Section 8208 of the Education Code, family fees, and reimbursement payments to child care providers, including, but not limited to, authorized hours of care and the use of adjustment factors, in programs operated pursuant to Chapter 3 (commencing with Section 10225) and Chapter 21 (commencing with Section 10370). The study shall include, but not be limited to, an analysis of a statistically valid, random, sample of family files and reimbursement payments that have been processed over a specified time. Each payment from the sample shall be audited to determine whether it was correctly paid or paid in error. Those payments identified as being paid in error shall be classified based on the type of the error that occurred, including, but not limited to, administrative errors, overpayment caused by providers, overpayments caused by parents, provider fraud, and beneficiary fraud.

(2) In conducting the compliance reviews required by regulations of the Superintendent of Public Instruction pursuant to Section 10267.5 for programs operated pursuant to Chapter 7 (commencing with Section 10240), the State Department of Education shall survey a statistically valid sample of files for the program and identify and report the errors, by category, resulting from that survey.

(3) The State Department of Education shall report in writing to the Governor, the Chair of the Joint Legislative Budget Committee, the chairs of the fiscal committees for both houses of the Legislature, and the Department of Finance, information regarding the error rate study by April 1, 2005. The report shall include, but not be limited to, all of the following:

(A) The results of the error rate study.

(B) Fraud and overpayment reduction targets that have been established based on the data from the error rate study.

(C) The timeframe for achieving the targets.

(D) Recommendations developed pursuant to subdivision (b).

(b) The State Department of Education shall develop recommendations for the prevention and elimination of child care fraud and programmatic errors and the identification and collection of child care overpayments. The recommendations shall include, but not be limited to:

(1) Precise definitions of what constitutes child care fraud and overpayments.

(2) A consistent statewide system to identify fraud and overpayments.

(3) A consistent statewide system of standards for fraud prevention, intervention, and overpayment collection that is applied to all child care program provider categories.

(4) Statewide fraud and overpayment measures that will be reported annually by the department.

(5) Standards for independent financial compliance audits, including provisions to ensure that small programs are not unduly burdened.

(6) Consistent statewide mechanisms for due process for parents.

(7) Consistent statewide mechanisms for dispute resolution for child care programs and providers.

(8) Assessment of the cost-effectiveness of prevention and intervention activities.

(9) Equitable treatment of all consumers of subsidized child care.

(10) Consideration of the need to minimize new barriers to family access to child care.

(11) A survey of best practices from both California agencies and providers and from other states.

(c) In developing its recommendations, the State Department of Education shall place priority on prevention of fraud and overpayments, and shall consider existing best practices for doing so. The State Department of Education shall make any identified best practices available on its Internet Web site by March 1, 2005.

(d) The State Department of Education shall consult with representatives of the State Department of Social Services, the Legislative Analyst's Office, the Department of Finance, staff from the appropriate policy and fiscal committees of each house of the Legislature, and other interested parties including, but not limited to, child care consumers and providers, representatives from county welfare departments, district attorneys, county special investigative units, and legal advocacy organizations representing consumers in developing these recommendations.

(e) The State Department of Education shall report its recommendations directly to the respective policy and fiscal committees of the Legislature by April 1, 2005.

(f) On or after July 1, 2005, all child care contracts entered into by the State Department of Social Services for means-tested child care programs, including, but not limited to, the programs described in Chapter 3 (commencing with Section 10225), Chapter 7 (commencing with Section 10240), and Chapter 21 (commencing with Section 10370), shall require implementation of best practices identified pursuant to subdivision (c).

CHAPTER 23. Administrative Review

10390. It is the intent of the Legislature to authorize an appeal process for the resolution of disputes between the department and local agencies which contract with the department to provide child care and development services or to furnish property, facilities, personnel, supplies, equipment and administrative services.

10391. (a) The department shall provide an internal appeal procedure to resolve a dispute between the department and a contracting agency providing child care and development services pursuant to Section 10268.5 regarding the interpretation or application of a term or condition of a contract, or to dispute a finding made by the department resulting from a fiscal or programmatic review, including, but not limited to, an error rate notification.

(b) A contracting agency shall have the right to appeal the findings of a fiscal or programmatic review, including, but not limited to, an error rate finding, by submitting a request for appeal in accordance with the internal appeal procedure developed by the

department pursuant to subdivision (a).

10392. (a) The department shall provide an independent appeal procedure to each contracting agency providing child care and development services pursuant to Section 10268.5 that shall be conducted by the Office of Administrative Hearings and shall be provided upon an appeal petition of the contracting agency in any of the following circumstances:

(1) Termination of a contracting agency's contract.

(2) Denial of more than 4 percent or twenty-five thousand dollars (\$25,000), whichever is less, of a local contracting agency's contracted payment for services schedule.

(3) Demand for remittance of an overpayment of more than 4 percent or twenty-five thousand dollars (\$25,000), whichever is less, of a local contracting agency's annual contract.

(b) Before filing an appeal petition for an action taken pursuant to paragraph (2) or (3) of subdivision (a), the contracting agency shall have submitted all previously required standard monthly or quarterly reporting forms to the department.

10393. All hearings required by Section 10392 shall be conducted according to the provisions of the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code), except as otherwise directed in this chapter.

10394. The Office of Administrative Hearings shall, by June 30, 1982, adopt regulations governing the hearings, which shall include all of the following:

(a) Deadlines for filing petitions, commencing hearings and rendering decisions.

(b) Notice to affected parties.

(c) The manner for maintaining appropriate provision for electronic recording and transcription, if necessary.

(d) Hearings shall be conducted at the offices of the Office of Administrative Hearings in Sacramento or Los Angeles. However, hearings in Los Angeles shall be available only to local contracting agencies with the department whose annual contracts total less than two hundred thousand dollars (\$200,000).

(e) Any other issues deemed appropriate by the Office of Administrative Hearings.

10395. The determination of the hearing examiner shall be the final administrative determination to be afforded the local contracting agency.

10396. All actions by the department, as defined in subdivisions (a) and (b) of Section 10392 shall be preceded by a written notice of action to the local contracting agency which shall include the following:

(a) A statement of the specific reasons for the action in the Statement of Issues.

(b) A description of the local contracting agency's rights and responsibilities concerning the appeal procedure described herein.

10397. (a) The department shall establish a contract classification system for purposes of identifying, monitoring, and providing technical assistance to contractors as follows:

(1) Clear contract. This designation shall be given to a contract that is neither a provisional contract, as described in paragraph (2), nor a conditional contract, as described in paragraph (3).

(2) Provisional contract. This designation applies to an agency's first contract for any particular service or to the contract of an existing contracting agency for a new, modified, or different type of service. The timeframe of a provisional contract is at the discretion of the department and is given to ensure that the contracting agency can demonstrate fiscal and programmatic compliance before the contract is designated as a clear contract. The contract status shall be reviewed annually.

(3) Conditional contract. This designation applies to a high-risk contract awarded to a contracting agency that evidences fiscal or programmatic noncompliance, or both fiscal and programmatic noncompliance. A contracting agency with one or more contracts designated as conditional is deemed to be on conditional status with the department for all child care and development program purposes and is subject to any restrictions deemed reasonable to secure compliance. The conditional contract shall include a bill of particulars detailing the items of noncompliance, the standards that must be met to avoid termination of contract and to qualify the agency for clear contract status, and technical assistance plan. Failure to demonstrate substantive progress toward fiscal or program compliance within six months of that designation shall constitute a breach of

contract and may subject the contract to termination for any applicable cause specified in Section 10398 or 10400, in accordance with Section 10392.

(b) Agencies with conditional contracts shall receive technical assistance from the Child Care and Development Division of the department.

(c) Notwithstanding subdivision (b), technical assistance shall be provided to any contracting agency making a written request to its assigned consultant or administrator within 60 days of receipt of the request.

10398. (a) A contracting agency that evidences any of the following acts or omissions may have its contract or contracts immediately terminated if there is documented evidence of the acts or omissions, and upon review and recommendation of the general counsel of the department:

(1) Fraud, or conspiracy to defraud.

(2) Misuse or misappropriation of state or federal funds, including a violation of Section 10399.

(3) Embezzlement.

(4) Threats of bodily or other harm to a state official.

(5) Bribery or attempted bribery of a state official.

(6) Unsafe or unhealthy physical environment or facility.

(7) Substantiated abuse or molestation of children.

(8) Failure to report suspected child abuse or molestation.

(9) Theft of supplies, equipment, or food.

(10) Cessation of operations without the permission of the department, or acts or omissions evidencing abandonment of the contract or contracts.

(11) Failure of a program operating pursuant to Chapter 3 (commencing with Section 10225) or Chapter 21 (commencing with Section 10370) to fully reimburse a significant number of approved child care providers, as determined by the department, within 15 calendar days after the date set in the plan for timely payments to child care providers adopted by the contracting agency pursuant to Section 18226 of Title 5 of the California Code of Regulations, unless the failure is attributable to a delay in receiving apportionments from the state.

(12) Failure of a program operating pursuant to this chapter to pay salaries owed to employees, pay federal payroll tax, or fully reimburse a significant number of child care providers, as determined by the department, affiliated with a contracting agency pursuant to Chapter 8 (commencing with Section 10250) for more than 15 days after the employee salaries, federal payroll taxes, or reimbursement payments were due, unless the failure is attributable to a delay in receiving apportionments from the state.

(b) An agency whose contract is immediately terminated pursuant to this section retains appeal rights in accordance with Section 10392.

(c) Notwithstanding any service provision in the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code), a notice of immediate termination shall be served on the contracting agency by personal service or at the last address on file with the department, by overnight mail or certified mail. Service may be proved in the manner authorized in a civil action. Service by mail is complete at the time of deposit.

(d) The department shall advise child care and development contractors of the provisions of this section within 30 working days of the effective date of the act amending this section during the 2013–14 Regular Session of the Legislature.

10399. (a) An agency that has in place or places a person in a position of fiscal responsibility or control who has been convicted of a crime involving misuse or misappropriation of state or federal funds, or a state or federal crime involving moral turpitude, may have its contract immediately terminated pursuant to Section 10398 if there is documented evidence of the conviction, and upon review and recommendation of the general counsel of the department.

(b) For purposes of this section, "position of fiscal responsibility or control" includes any authority to direct or control expenditure of, or any access to, state or federal child care and development funds received pursuant to this chapter whether that authority or

access is conferred based on the person's status as an employee, director, manager, board member, or volunteer, or based on any other status.

(c) If the agency provides evidence to the department, before the effective date given in the notice of immediate termination, that the convicted person has been removed from the position of fiscal responsibility or control and provides assurance that the person will not be returned to a position of fiscal responsibility or control, the department shall withdraw the termination action.

10400. Except for causes listed in Sections 10398 and 10399, termination of a child care and development contract shall not occur without good cause and without notice as described in Section 10396 at least 90 days before the effective date given in the notice of termination.

10401. Actions as defined in subdivision (a) of Section 10392 shall remain in effect during the appeal process. However, local contracting agencies may continue to operate under the contract during an appeal of termination, unless the action is an immediate termination action taken pursuant to Sections 10398 and 10399, in which case a contracting agency shall not continue to operate under the contract after the effective date given in the notice of immediate termination.

10402. All contracts entered into by the department pursuant to Section 10268.5 shall contain a complete description of the appeal procedures provided in this chapter.

CHAPTER 25. Building a Better Early Care and Education System

10420. This chapter shall be known, and may be cited, as the Building a Better Early Care and Education System Act.

10420.5. (a) The purpose of this chapter is to promote quality, access, and stability in the early care and education system by authorizing an appropriate unit of family child care providers to choose a provider organization to act as their unit's representative on all matters specified in this chapter. It is also the purpose of this chapter to promote full communication between family child care providers and the state by permitting a provider organization certified as the representative of family child care providers to meet and confer with the state regarding matters within the scope of representation and other areas as mutually agreed upon in negotiations.

(b) This chapter is not intended to change the family child care providers' status as employees or independent business owners or classify family child care providers as public employees.

(c) This chapter is not intended to change or interfere with the requirements governing licensing or enforcement thereof set forth in the California Child Day Care Facilities Act (Chapter 3.4 (commencing with Section 1596.70), Chapter 3.5 (commencing with Section 1596.90), and Chapter 3.6 (commencing with Section 1597.30) of Division 2 of the Health and Safety Code).

(d) This chapter is not intended to interfere with the ability of the state, the department, another department or agency, or a political subdivision of the state to comply with the requirements of federal grants or federal funding.

10421. As used in this chapter:

(a) "Certified provider organization" means a provider organization that is certified by the Public Employment Relations Board as the representative of family child care providers in an appropriate unit after a proceeding under Section 10424.

(b) (1) "Family child care provider" or "provider" means a child care provider who participates in a state-funded early care and education program as specified in subdivision (f) and is either of the following:

(A) An individual who operates a family child care home, as defined in Section 1596.78 of the Health and Safety Code, and who is licensed pursuant to the requirement in Section 1596.80 of the Health and Safety Code.

(B) An individual who provides early care and education in their own home or in the home of the child receiving care and is exempt from licensing requirements pursuant to Section 1596.792 of the Health and Safety Code.

(2) An assistant-provider, a volunteer, or any other individual who works or volunteers for a family child care home, as defined in Section 1596.78 of the Health and Safety Code, and who does not possess a license pursuant to Section 1596.80 of the Health and Safety Code shall not be considered a family child care provider for purposes of this chapter. However, an individual who, separate and apart from that work or volunteer service within a family child care home, participates in a state-funded early care and education program and provides care that is exempt from licensing requirements pursuant to Section 1596.792 of the Health and Safety Code shall be considered a family child care provider for purposes of this chapter in their capacity as the provider of this separate, license-exempt care.

(c) "Mediation" means an effort by an impartial third party to assist in reconciling a dispute regarding matters within the scope of representation between representatives of the Governor and the certified provider organization through interpretation, suggestion,

and advice.

(d) "Provider organization" means an organization that has all of the following characteristics:

(1) Includes family child care providers as members.

(2) Has as one of its main purposes the representation of family child care providers in their relations with public or private entities in California concerning the terms of their participation in state-funded early care and education programs.

(3) Is not an entity that contracts with the state or a county to administer or process payments for a state-funded early care and education program.

(4) Its organizational bylaws or other internal governing documents give family child care providers the right to be members of the organization and to participate in the democratic control of the organization.

(e) "Public Employment Relations Board" or "board" means the Public Employment Relations Board established pursuant to Section 3541 of the Government Code. The powers and duties of the board described in Section 3541.3 of the Government Code, and the respective implementing regulations, shall apply, as appropriate, to this chapter to the extent those procedures are not inconsistent with the procedures specified in this chapter. If a provision of this chapter is the same or substantially the same as that contained in Chapter 10 (commencing with Section 3500), Chapter 10.3 (commencing with Section 3512), or Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code, it shall be interpreted and applied in accordance with the regulations and judicial interpretations of the provision in those statutes. For exclusive purposes of this chapter, any reference in Section 3541.3 of the Government Code to "employee" or "employees" shall be deemed to refer to a "provider" as defined in subdivision (b), any references to "employee organizations" shall be deemed to refer to "provider organizations" as defined in subdivision (d), any references to "exclusive representative" shall be deemed to refer to "certified provider organization" as defined in subdivision (a), and any references to "employer" shall be deemed to refer solely to the department, any other agency, department, contractor, subcontractor, or any political subdivision of the state administering a state-funded early care and education program. The board may also adopt, amend, or repeal all rules and regulations necessary to carry out this chapter 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 of the Government Code). The adoption, amendment, or repeal of regulations pursuant to this subdivision is conclusively presumed to be necessary for the immediate preservation of the public peace, health, safety, or general welfare within the meaning of Section 11346.1 of the Government Code.

(f) "State-funded early care and education program" means a program administered by the department, another department or agency, or a political subdivision of the state, including programs established subsequent to the enactment of this chapter, to subsidize early learning and care for children, but does not include the public education system.

10421.5. The state action antitrust exemption to the application of federal and state antitrust laws shall apply to the activities of family child care providers and their representatives authorized under this chapter.

10422. (a) For purposes of this section, the Public Employment Relations Board, as established pursuant to Section 3541 of the Government Code, shall determine if an entity seeking information is a provider organization within the meaning of subdivision (d) of Section 10421 as follows:

(1) The general counsel of the Public Employment Relations Board shall have the authority to determine if an organization is a provider organization upon application by that organization. The general counsel shall issue their determination within 10 days of receiving the application.

(2) If an organization is determined not to be a provider organization, the general counsel of the Public Employment Relations Board shall state the reasons for this determination. An applicant determined not to be a provider organization may appeal this adverse determination to the board within 30 days of the determination.

(3) Once a provider organization has been determined to be a provider organization by the general counsel of the Public Employment Relations Board, this determination shall remain valid for one year.

(b) Within 10 days of receipt of a request from a provider organization determined to be such by the Public Employment Relations Board in accordance with subdivision (a), the department shall make available in manipulable electronic format to that provider organization information regarding all providers of a family child care home, as defined in Section 1596.78 of the Health and Safety Code, who are licensed pursuant to the requirement in Section 1596.80 of the Health and Safety Code. The information shall include the name; home address; mailing address; county; home, if known, work, and cellular telephone numbers; email address, if known; and state facility license number of each provider of a family child care home.

(c) (1) Upon receipt of a request from a provider organization, department and any other state department or agency administering a state-funded early care and education program, with the assistance of any contractors or subcontractors and any political subdivisions of the state that are administering a state-funded early care and education program, shall immediately commence collecting information regarding any individual who has been a family child care provider, as defined in subdivision (b) of Section 10421, within the preceding three months, including each family child care provider's name; home address; mailing address; county; home, if known, work, and cellular telephone numbers; email address, if known; the agency, contractor, subcontractor, or political subdivision of the state administering the state-funded early care and education program in which the provider participates; the date the provider began subsidy care; the date the provider ended subsidy care, if applicable; whether the provider is licensed or not; the unique provider identification number, if applicable; and the state facility license number, if known. The department and any other state department or agency administering a state-funded early care and education program, with the assistance of any contractors or subcontractors and any political subdivisions of the state administering a state-funded early care and education program, shall make reasonable efforts to collect the information under this subdivision in a timely manner.

(2) Within 60 days of receipt of an initial request from a provider organization, the department and any other state department or agency administering a state-funded early care and education program shall make available to the provider organization, in a manipulable electronic format unless demonstrably impracticable to do so, all of the information described in paragraph (1) that is available based on the reasonable efforts of the department, and any other state department or agency administering a state-funded early care and education program to collect the information.

(3) As soon as it is in the possession of the department or any other state department or agency administering a state-funded early care and education program, the department and any other state department or agency administering a state-funded early care and education program shall make available to the provider organization any information described in paragraph (1) that cannot be reasonably collected within 60 days.

(d) Following an initial request as described in subdivision (c), but no earlier than 90 days following receipt of that request, the department and any other state department or agency administering a state-funded early care and education program shall use reasonable efforts to continue to collect and make available to the requesting provider organization, in a manipulable electronic format, unless demonstrably impracticable to do so, an updated list of the information described in paragraph (1) of subdivision (c), as of that date, monthly unless more frequent or more detailed lists are required by an agreement with a provider organization.

(e) This section does not permit an agency, department, contractor, subcontractor, or a political subdivision of the state to delay or obstruct the collection or provision to a provider organization of information pursuant to subdivisions (c) and (d).

(f) The department and any other state department or agency administering a state-funded early care and education program, with the assistance of any contractors or subcontractors and any political subdivisions of the state that are administering a state-funded early care and education program, shall provide a certified provider organization, for each family child care provider within an appropriate unit, as described by Section 10424, the family child care provider's name; home address; mailing address; county; home, if known, work, and cellular telephone numbers; email address, if known; the agency, contractor, subcontractor, or political subdivision administering the state-funded early care and education program in which the provider participates; the date the provider began subsidy care; the date the provider ended subsidy care, if applicable; whether the provider is licensed or not; the unique provider identification number, if applicable; and the state facility license number, if known. An updated list of this information shall be provided to the certified provider organization in a manipulable electronic format on a monthly basis unless more frequent or more detailed lists are required by an agreement between the Governor or the Governor's designee and the certified provider organization.

(g) If a provider organization has been certified as the representative of family child care providers in an appropriate unit, subdivisions (b), (c), and (d) shall not apply to requests by other provider organizations.

(h) This section does not preclude a provider organization and the Governor or the Governor's designee from agreeing to a different interval within which the department and any other state department or agency administering a state-funded early care and education program must provide the provider organization with this information.

(i) Any information regarding providers of small family child care homes, as defined in Section 1596.78 of the Health and Safety Code, that is made available to the provider organization under this section shall be provided in a manner consistent with Section 1596.86 of the Health and Safety Code.

(j) The information provided under this section shall be provided in a manner consistent with Section 6207 of the Government Code for a participant in the address confidentiality program established pursuant to Chapter 3.1 (commencing with Section 6205) of Division 7 of Title 1 of the Government Code.

(k) Upon receipt of a written request by a family child care provider, the department and any other state department or agency administering a state-funded early care and education program shall remove the family child care provider's home and mailing address; home, work, and cellular telephone numbers; and email address from any lists subsequently made available to a provider organization pursuant to subdivisions (c) and (d).

(l) The Public Employment Relations Board shall have initial exclusive jurisdiction to resolve any disputes arising among the provider organization, the Governor or the Governor's designated representative, the department, any other agency, department, contractor, subcontractor, or any political subdivision of the state administering a state-funded early care and education program, and family child care providers regarding lists of family child care providers given to the provider organization pursuant to this section.

(m) The Public Employment Relations Board shall perform its duties under this section consistent with its regulations and shall have the authority to make additional regulations. The board may also adopt, amend, or repeal all rules and regulations necessary to carry out this chapter 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 of the Government Code). The adoption, amendment, or repeal of regulations pursuant to this subdivision is conclusively presumed to be necessary for the immediate preservation of the public peace, health, safety, or general welfare within the meaning of Section 11346.1 of the Government Code.

10422.5. Family child care providers have the right to form, join, and participate in the activities of provider organizations of their own choosing. Family child care providers also have the right to refuse to join or participate in the activities of provider organizations. This chapter does not change the rights of family child care providers to represent themselves individually in their relations with the state, agencies or departments of the state, contractors of the state, parents, or others, or their rights to speak to and petition the government with respect to all aspects of the state's early care and education program or any other topic.

10423. Family child care providers are not public employees, and this chapter does not create an employer-employee relationship between family child care providers and the state, any agency or department of the state, any political subdivision of the state, or a contractor or subcontractor administering a state-funded early care and education program, for any purpose, including, but not limited to, eligibility for health or retirement benefits, workers' compensation, unemployment insurance, liability under the Labor Code or state wage orders, or vicarious liability in tort. This chapter does not alter the status of a family child care provider as a business owner, an employee of a family, or a contractor.

10423.5. This chapter does not alter the rights of families to select, direct, and terminate the services of family child care providers.

10424. (a) An appropriate unit of family child care providers, as described in subdivision (h), may designate, in accordance with this chapter, the provider organization, if any, that shall be its representative for purposes of this chapter. The board shall, pursuant to the procedures in this section, certify a provider organization designated by an appropriate unit of family child care providers as the representative of those providers for purposes of this chapter. There shall be no more than one certified representative for purposes of this chapter at any time.

(b) Requests for elections, challenges, requests for intervention, and requests for decertification shall be filed with, received by, and acted upon by the board, in accordance with its rules and regulations, to the extent those regulations are not inconsistent with this chapter, provided that a valid petition for a certification or decertification election shall be resolved by a secret ballot election among family child care providers. This section does not prevent the board from entering into agreements with one or more third-party services to conduct those elections.

(c) (1) A provider organization petitioning for an election to be certified by the board as the representative for an appropriate unit of providers shall include in its petition proof of a 10-percent showing of interest designating the provider organization to act as the statewide representative of the providers. For purposes of the showing of interest, "family child care provider" shall include any "family child care provider" within the meaning of subdivision (b) of Section 10421 who received a subsidy payment in any of the last three full calendar months before the petition was submitted for which the information is available pursuant to subdivision (d) of Section 10422. Proof of support may consist of, but does not require, any one of the following:

(A) Proof of dues payments.

(B) Dues deduction authorization forms.

(C) Membership applications.

(D) Authorization cards signed by providers.

(E) Petitions signed by providers, provided the purpose of the petition is clearly stated on each page.

(2) (A) The board, or a neutral third party designated by the board to act on a request for an election, shall consider evidence of a family child care provider's support, or lack of support, for a provider organization valid if it was signed by the family child care provider within two years of the date it is submitted to the board. For purposes of showing proof of support by a provider for a provider organization, as described in paragraph (1), the board shall accept any electronic signature that satisfies either of the following:

(i) Contains the signer's name and contact information including one or more of the following: telephone number, email address, or home address. The party collecting the signatures shall send the signer a confirmation transmission to the telephone number, email address, or home address provided, which includes the information provided, the date signed, and the language to which the signer has agreed; and the party collecting the signatures shall maintain for inspection any responses to the confirmation transmission received by the time of submission. The party collecting signatures shall submit to the board any response from a signer indicating the signer did not authorize the electronic signature.

(ii) Meets the requirements of the Uniform Electronic Transactions Act (Title 2.5 (commencing with Section 1633.1) of Part 2 of Division 3 of the Civil Code).

(B) Notwithstanding subparagraph (A), if the board enacts regulations authorizing the acceptance of electronic signatures, those regulations shall govern as to any signatures signed after the date those regulations become effective.

(3) Documents submitted to the board as proof of provider support shall remain confidential and not be disclosed by the board to any party other than the petitioner, except to indicate whether the proof of support is sufficient.

(4) A party that contends that proof of provider support was obtained by fraud or coercion, or that the signatures on such support documents are not genuine, shall file with the board evidence in the form of declarations under penalty of perjury supporting such contention within 20 days after the filing of the petition that the proof of support accompanied. The board shall refuse to consider any evidence not timely submitted, absent a showing of good cause for late submission. When prima facie evidence is submitted to the board supporting a claim that proof of support was tainted by misconduct, the board shall conduct an investigation. If, as a result of the investigation, the board determines that the showing of support is inadequate because of misconduct, the petition shall be dismissed.

(d) (1) Upon submission of an election request, and at the direction of the board, the Department of Human Resources shall, with the assistance of the department, any state department or agency or its contractor or subcontractor, and any political subdivision of the state, provide the board and the party seeking certification a list of all family child care providers, as defined in subdivision (b) of Section 10421, who received a subsidy payment in any of the last three full calendar months before the date the petition was submitted for which provider information is available pursuant to subdivision (d) of Section 10422. The list shall be provided at a date established by the board, but in no case earlier than April 1, 2020. This list shall include, for each provider, the following information: the provider's name; home address; mailing address; county; home, if known, work, and cellular telephone numbers; email address, if known; the agency, contractor, subcontractor, or political subdivision of the state administering the state-funded early care and education program in which the provider participates; the unique provider identification number, if applicable; and the state facility license number, if known. The list shall be produced in manipulable electronic format and shall be alphabetized. The board may designate a neutral third party to act on any of the requests filed with the board pursuant to this subdivision.

(2) Unless otherwise directed by the board, to be eligible to vote in a representation, amendment, or decertification election, a provider must have received a subsidy payment in any of the last three full calendar months before the date the petition was submitted for which information is available pursuant to subdivision (d) of Section 10422.

(e) (1) Upon submission of an election request, the board shall direct the Department of Human Resources, with the assistance of the department, any other agency or department, any political subdivisions of the state that are involved in the administration of the state-funded early care and education program, and the relevant contractors or subcontractors of those departments and agencies, to provide notice of the request for recognition to providers as soon as possible, but in no event later than 10 days following receipt of the request.

(2) A notice of a request for recognition shall consist of a copy of the request for recognition and any form written by the board for this purpose. The notice shall be provided to providers through email, through the agencies' and contractors' respective internet websites, or through other means reasonably calculated to provide notice to the greatest number of providers; and, where the means of notice allows, shall remain posted for at least 20 days.

(3) Within 20 days following posting or distribution of the request for recognition, an entity determined to be a provider organization pursuant to subdivision (a) of Section 10422 may file an intervention to appear on the ballot. A provider organization petitioning as an intervenor in an election shall demonstrate a 10-percent showing of interest in the same manner as described in subdivision (c).

(f) If the board makes an initial determination that the showing is insufficient, the board may allow an additional 10 days for a petitioner to perfect its proof of support. If the board determines that a petition is valid and an election is required, the board shall direct the Department of Human Resources, with the assistance of the department, any other agency or department, any political subdivisions of the state that are involved in the administration of the state-funded early care and education program, and the relevant contractors or subcontractors of those departments and agencies, to mail notice of the election to providers.

(g) If a petition is determined to be valid, the election shall be conducted by mail ballot no later than 90 days from the date the petition is filed or June 1, 2020, whichever is later.

(h) The only appropriate bargaining unit of providers is a statewide unit of all family child care providers described in subdivision (b) of Section 10421.

(i) A certified provider organization shall represent each provider in the represented unit fairly with respect to matters within the scope of the certified provider organization's role as representative of the bargaining unit for purposes of this chapter, without discrimination and without regard to whether the provider is a member of the certified provider organization.

(j) Provider organizations shall have the right to represent their members with respect to matters within the scope of the provider organization's role as representative of the bargaining unit for purposes of this chapter, except that once a provider organization is certified as the exclusive representative of the unit, the certified provider organization is the only organization that may represent that unit in relations with the state. Provider organizations may establish reasonable restrictions regarding who may join and may make reasonable provisions for the dismissal of individuals from membership. This section does not prohibit a provider from appearing on their own behalf in their relations with the state.

(k) The Governor, or the Governor's representative, shall grant exclusive recognition to the certified provider organization, subject to the right of a provider to represent themselves.

10424.5. (a) The scope of representation shall not extend to the rights of families to select, direct, and terminate the services of family child care providers. The scope of representation shall be limited to the following:

(1) Improvement of recruitment and retention of providers.

(2) Joint labor-management committees, including the training partnership described in Section 10429.5.

(3) Grievance arbitration.

(4) Professional development and training for providers, including preservice and ongoing inservice training and training on supporting dual language learners in their biliteracy and overall development.

(5) Contributions to a certified provider organization-administered benefit trust fund.

(6) Payment and payment reporting procedures for state-funded early care and education programs.

(7) Reimbursement rates including, but not limited to, rate add-ons for providers who complete additional training; and other economic matters.

(8) The deduction of membership dues and other voluntary deductions authorized by individual providers and allocation of the costs of implementing that deduction system.

(9) Strike and lockout provisions.

(10) Confidentiality of information exchanged between parties consistent with state and federal law.

(11) Management and certified provider organization rights clauses.

(12) Any standard contract clauses necessary to effectuate a memorandum of understanding, including an entire agreement or integration clause, savings clause, or duration clause.

(13) Impacts on providers' delivery of services, as a result of changes in regulations, rules, or resolutions, including, but not limited to, those that impact providers in regards to licensing and child care quality measures. However, the decision to promulgate, the content of a regulation, rule, or resolution, and the enforcement of a regulation, rule, or resolution are not within the scope of representation, and shall not be a subject of meeting and negotiating.

(14) The structure, time, and manner of certified provider organization access to preservice meetings and orientations, as set forth in Section 10428.7.

(b) All matters not specifically enumerated are reserved to the state and may not be a subject of meeting and negotiating, except that this section does not limit the right of the state to consult and reach agreement with any certified provider organization on any matter outside the scope of representation. Any matter outside the enumerated subjects listed in this section agreed to by the parties in a memorandum of understanding shall not be considered a mandatory subject of bargaining.

10425. (a) The department and any other state department or agency administering a state-funded early care and education program shall permit the certified provider organization to participate in a stakeholder meeting convened to provide input regarding proposed rules and regulations that are subject to the procedures set forth in Chapter 5 (commencing with Section 11346) of Chapter 3.5 of Part 1 of Division 3 of Title 2 of the Government Code and that are within the scope of representation, as described in Section 10424.5.

(b) Except in cases of an emergency as provided in this section, the Governor, through the Department of Human Resources, or the Governor's designee shall give reasonable written notice to the certified provider organization of any rule, resolution, or regulation directly relating to matters within the scope of representation, as described in Section 10424.5, proposed to be adopted by the department, or the State Department of Education, and shall give the certified provider organization the opportunity to meet and confer with the Governor, through the Department of Human Resources, or the Governor's designee.

(c) In cases of an emergency where the Governor, through the Department of Human Resources, determines that a rule, resolution, or regulation must be adopted immediately without prior notice or meeting with the certified provider organization, the Department of Human Resources or the Governor's designee shall provide a notice and opportunity to meet and confer in good faith at the earliest practical time following the adoption of that rule, resolution, or regulation.

10425.5. (a) The Governor, through the Department of Human Resources or the Governor's designee, shall meet and confer in good faith regarding all matters within the scope of representation with representatives of a certified provider organization and, before arriving at a determination of policy or course of action, shall fully consider the presentations made by the certified provider organization on behalf of the family child care providers it represents.

(b) Unless the Governor otherwise so designates, the Department of Human Resources shall be the representative of the Governor to meet and confer regarding the scope of representation with representatives of the certified provider organization defined in subdivision (a) of Section 10421, for family child care providers and to carry out the professional functions and responsibilities in labor relations matters in accordance with this chapter.

(c) As used in this section, "meet and confer in good faith" means that the Governor, through the Department of Human Resources or the Governor's designee, and representatives of the certified provider organization shall have the mutual obligation to meet and confer promptly upon request by either party and continue for a reasonable period of time in order to freely exchange information, opinions, and proposals, and to endeavor to reach agreement on matters within the scope of representation. The duty to meet and confer in good faith also requires the parties to begin negotiations sufficiently in advance of the adoption of the state's final budget for the ensuing fiscal year so that there is adequate time for agreement to be reached before the adoption of the final budget and for the resolution of an impasse.

10426. (a) If an agreement is reached between the Governor, through the Department of Human Resources or the Governor's designee, and the certified provider organization, they shall jointly prepare a written memorandum of understanding, which shall be presented, when appropriate, to the Legislature for determination.

(b) (1) If any provision of the memorandum of understanding requires the expenditure of funds, those provisions of the memorandum of understanding shall not become effective unless approved by the Legislature in a Budget Act. If any provision of the memorandum of understanding requires legislative action to permit its implementation by amendment of an existing statute, those provisions of the memorandum of understanding shall not become effective unless approved by the Legislature.

(2) If the Legislature does not approve or fully fund any provision of the memorandum of understanding that requires the expenditure of funds, either party may reopen negotiations on all or part of the memorandum of understanding.

(3) This section does not prevent the parties from agreeing and effecting those provisions of the memorandum of understanding that have received legislative approval or those provisions that do not require legislative action.

(c) A memorandum of understanding between the Governor, through the Department of Human Resources or the Governor's designee, and the certified provider organization shall be binding on all state departments and agencies and any political subdivision of the state that are involved in the administration of the state-funded early care and education program and the relevant contractors or subcontractors of those departments and agencies.

(d) This chapter does not alter the requirements governing the early care and education reimbursement system that are set forth in Section 10228 and in Article 1 (commencing with Section 18074) of Chapter 19 of Division 1 of Title 5 of the California Code of

Regulations.

10426.5. (a) Deductions may be requested by a certified provider organization from the subsidy payments of its provider members, and the Department of Human Resources or Governor's designee shall ensure that those requests are honored. The department, any other state department or agency administering a state-funded early care and education program, contractors or subcontractors of state agencies and departments, and any political subdivisions of the state shall assist the Department of Human Resources or the Governor's designee in ensuring these requests are honored. The deductions may include membership dues, initiation fees, general assessments, and payment of any other membership benefit program sponsored by the certified provider organization.

(b) If the deduction of membership dues or other voluntary deductions from a provider's subsidy payments requires action by more than one agency, department, political subdivision of the state, contractor, or subcontractor, the certified provider organization shall establish reasonable procedures to ensure that the total amount deducted does not exceed the total dues and other voluntary deductions owed by that provider.

(c) The state, its agencies and departments, their contractors and subcontractors, and any political subdivisions of the state shall not be liable in any action by a provider seeking recovery of, or damage for, improper calculation or use of dues or other voluntary deductions.

(d) An entity that makes subsidy payments to providers, as described in subdivision (a), shall do all of the following:

(1) Rely on a certification from the certified provider organization requesting a deduction or reduction that it has and will maintain an authorization, signed by the individual provider from whose subsidy the deduction or reduction is to be made. A certified provider organization that certifies that it has and will maintain individual provider authorizations shall not be required to provide a copy of an individual authorization to the entity unless a dispute arises about the existence or terms of the authorization. The certified provider organization shall indemnify the state, its agencies and departments, and their contractors and subcontractors, and any political subdivisions of the state, for any claims made by the provider for deductions made in reliance on that certification.

(2) Direct provider requests to cancel or change deductions for a certified provider organization to the certified provider organization, rather than to the entity that makes subsidy payments. The entity that makes subsidy payments shall rely on information provided by the certified provider organization regarding whether deductions for the certified provider organization were properly canceled or changed, and the certified provider organization shall indemnify the state, its agencies and departments, and their contractors and subcontractors, and any political subdivisions of the state, for any claims made by the provider for deductions made in reliance on that information. Deductions may be revoked only pursuant to the terms of the provider's written authorization.

(3) After receiving notification from a certified provider organization that it possesses authorization for deduction, commence the first deduction in the next pay period after the entity receives the notification.

10427. (a) If a memorandum of understanding has expired, and the Governor or the Governor's representative and the certified provider organization have not agreed to a new memorandum of understanding and have not reached an impasse in negotiations, subject to subdivision (b), the parties to the agreement shall continue to give effect to the provisions of the expired memorandum of understanding, including, but not limited to, all provisions that supersede existing law, any arbitration provisions, any no strike provisions, and any provisions covering membership dues consistent with Section 10426.5.

(b) If, after a reasonable period of time, the parties fail to reach agreement, the parties may agree upon the appointment of a mediator mutually agreeable to the parties, or either party may declare that an impasse has been reached and request the board to appoint a mediator. When both parties mutually agree upon a mediator, costs of mediation shall be divided one-half to the state and one-half to the certified provider organization. A memorandum of understanding reached by means of mediation is subject to appropriation by the Legislature and necessary statutory revisions.

(c) After the mediation procedure has been exhausted, and no resolution has been reached by the parties, the Governor, or the Governor's representative, may declare an impasse and implement any or all of its last, best, and final offer. Any proposal in the Governor's, or the Governor's representative, last, best, and final offer that, if implemented, would conflict with existing statutes or require the expenditure of funds, shall be presented to the Legislature for approval. Implementation of the last, best, and final offer does not relieve the parties of the obligation to bargain in good faith and reach an agreement on a memorandum of understanding if circumstances change, and does not waive rights that the certified provider organization has under this chapter.

10427.5. It is unlawful for the Department of Human Resources or the Governor's designee, the department, or any state agency or department charged with the administration of any state-funded early care and education program, as defined in subdivision (f) of Section 10421, to do any of the following:

(a) Impose or threaten to impose reprisals on providers, to discriminate or threaten to discriminate against providers, or otherwise to interfere with, restrain, or coerce providers because of their exercise of rights guaranteed by this chapter. For purposes of this subdivision and subdivision (f), "provider" includes individuals seeking to participate in state-funded early care and education programs as providers.

(b) Deny to provider organizations rights guaranteed to them by this chapter.

(c) Refuse or fail to meet and confer in good faith with the certified provider organization.

(d) Dominate or interfere with the formation or administration of any provider organization, or contribute financial or other support to it, or in any way encourage providers to join any provider organization in preference to another.

(e) Refuse to participate in good faith in the mediation procedure set forth in Section 10427.

(f) Deter or discourage providers from becoming or remaining members of a provider organization, or from authorizing representation by a provider organization, or from authorizing dues or other voluntary deductions to a provider organization.

10427.7. It is unlawful for any political subdivision, contractor, or subcontractor, charged with the administration of a state-funded early care and education program, as defined in subdivision (f) of Section 10421, to do any of the following:

(a) Impose or threaten to impose reprisals on providers, to discriminate or threaten to discriminate against providers, or otherwise to interfere with, restrain, or coerce providers because of their exercise of rights guaranteed by this chapter. For purposes of this subdivision, "provider" includes providers seeking to participate in state-funded early care and education programs as providers.

(b) Deny to provider organizations rights guaranteed to them by this chapter.

(c) Dominate or interfere with the formation or administration of any provider organization, or contribute financial or other support to it, or in any way encourage providers to join any provider organization in preference to another.

(d) Deter or discourage providers from becoming or remaining members of a provider organization, or from authorizing representation by a provider organization, or from authorizing dues or other voluntary deductions to a provider organization. For purposes of this subdivision, "provider" includes individuals seeking to participate in state-funded early care and education programs as providers.

10428. It shall be unlawful for a provider organization or a certified provider organization to:

(a) Cause or attempt to cause the Department of Human Resources or the Governor's designee, the department, or any state agency, department, local political subdivision, contractor, or subcontractor, charged with the administration of a state-funded early care and education program, as defined in subdivision (f) of Section 10421, to violate Section 10427.5 or 10427.7.

(b) Impose or threaten to impose reprisals on providers, to discriminate or threaten to discriminate against providers, or otherwise to interfere with, restrain, or coerce providers because of their exercise of rights guaranteed by this chapter.

(c) Refuse or fail to meet and confer in good faith with the Department of Human Resources or the Governor's designee.

(d) Refuse to participate in good faith in the mediation procedure set forth in Section 10427.

10428.3. (a) An unfair practice charge alleging that a political subdivision, a contractor, or a subcontractor has committed a violation of Section 10427.7, or an unfair practice charge alleging a violation of subdivision (c) of Section 10427.5 that is based on the conduct of a political subdivision, a contractor, or a subcontractor, shall commence only after all the following requirements have been met:

(1) A party alleging an unfair practice shall first provide notice to the Department of Human Resources of any alleged violation of Section 10427.7 by a political subdivision, a contractor, or a subcontractor, or any alleged violation of subdivision (c) of Section 10427.5 that is based on the conduct of a political subdivision, a contractor, or a subcontractor, and any facts supporting the alleged violation, within 30 calendar days of the date on which the party knew or reasonably should have known about the incident giving rise to the alleged violation.

(2) The department, or any state agency or department charged with the administration of state-funded early care and education programs, consistent with the advice and direction of the Department of Human Resources, shall work in good faith with the political subdivision, contractor, or subcontractor to cure the alleged violation within 60 calendar days of the postmarked notice from a provider, provider organization, or certified provider organization. State agencies or departments shall expedite, whenever possible, the resolution of alleged violations that have a financial impact on providers. If the political subdivision, contractor, or subcontractor cures the alleged violation, it shall send a written description of steps taken to the party

alleging a violation within the 60-day period and to the department or the department charged with the administration of state-funded early care and education programs, as applicable, and to the Department of Human Resources.

(3) At the conclusion of the 60-day period, the party alleging an unfair practice may commence an unfair practice charge before the board consistent with Section 10428.5. In the board agent's initial determination as to whether the charges of unfair practices establish a prima facie violation of Section 10427.5 or 10427.7, consistent with Section 10428.5 and applicable regulations, if the board agent determines the political subdivision, contractor, or subcontractor cured the alleged unfair practice during the 60-day period, the board shall dismiss the charge for failure to establish a prima facie violation.

(b) In any unfair practice charge before the board, the political subdivision, contractor, or subcontractor shall have the opportunity to be represented by a representative of its choice, but in no instance shall the state, the Department of Human Resources, the department, or any state agency charged with the administration of state-funded early care and education programs be obligated to provide representation to the political subdivision, contractor, or subcontractor before the board. However, the Department of Human Resources may intervene in any such proceedings before the board.

(c) In any violation of Section 10427.7 committed by a political subdivision, contractor, or subcontractor, as determined by the board, any monetary damage award or attorney fee award shall not be imposed upon the state, the Department of Human Resources, the department, or any other department or agency charged with the administration of a state-funded early care and education program, as defined in subdivision (f) of Section 10421.

(d) The state, the Department of Human Resources, the department, and any state agency charged with the administration of state-funded early care and education programs shall not be liable for an unfair labor practice committed by a political subdivision, contractor, or subcontractor.

10428.5. (a) The powers and duties of the board described in Section 3541.3 of the Government Code, also apply, as appropriate, to this chapter. In implementing this chapter, the board shall rely on its existing regulations for the adjudication of unfair practice charges. The board may promulgate emergency regulations as necessary to effectuate its powers and duties under this chapter.

(b) The initial determination as to whether the charges of unfair practices are justified and, if so, what remedy is necessary to effectuate the purposes of this chapter, shall be a matter within the exclusive jurisdiction of the board, except that in an action to recover damages due to an unlawful strike, the board does not have authority to award strike-preparation expenses as damages, and does not have authority to award damages for costs, expenses, or revenue losses incurred during, or as a consequence of, an unlawful strike. Procedures for investigating, hearing, and deciding these cases shall be devised and promulgated by the board and shall include all the following:

(1) Any provider, provider organization, certified provider organization, the Department of Human Resources or the Governor's designee, or the department, or any state agency, department, political subdivision, contractor, or subcontractor, charged with the administration of any state-funded early care and education program, as defined in subdivision (f) of Section 10421, shall have the right to file an unfair practice charge, except that the board shall not do either of the following:

(A) Issue a complaint in respect of any charge based upon an alleged unfair practice occurring more than six months prior to the filing of the charge. This period may be tolled for the completion of the notice and cure requirements in Section 10428.3.

(B) Issue a complaint against conduct also prohibited by the provisions of the agreement between the parties until the grievance machinery of the agreement, if it exists and covers the matter at issue, has been exhausted, either by settlement or binding arbitration. However, when the charging party demonstrates that resort to contract grievance procedures would be futile, exhaustion shall not be necessary. The board has discretionary jurisdiction to review the settlement or arbitration award reached pursuant to the grievance machinery solely for the purpose of determining whether it is repugnant to the purposes of this chapter. If the board finds that the settlement or arbitration award is repugnant to the purposes of this chapter, it shall issue a complaint on the basis of a timely filed charge, and hear and decide the case on the merits. Otherwise, the board shall dismiss the charge. The board shall, in determining whether the charge was timely filed, consider the six-month limitation set forth in this subdivision to have been tolled during the time it took the charging party to exhaust the grievance machinery.

(2) The board does not have the authority to enforce agreements between the parties, and shall not issue a complaint on any charge based on alleged violation of any agreement that would not also constitute an unfair practice under this chapter.

(3) The board has the power to issue a decision and order directing an offending party to cease and desist from the unfair practice and to take such affirmative action as will effectuate the policies of this chapter.

(c) Any charging party, respondent, or intervenor aggrieved by a final decision or order of the board in an unfair practice case, except a decision of the board not to issue a complaint in such case, may petition for a writ of extraordinary relief from such decision or order.

(d) Such petition shall be filed in the district court of appeal in the appellate district where the unit determination or unfair practice dispute occurred. The petition shall be filed within 30 days after issuance of the board's final order, order denying reconsideration, or order joining in the request for judicial review, as applicable. Upon the filing of such petition, the court shall cause notice to be served upon the board and thereupon shall have jurisdiction of the proceeding. The board shall file in the court the record of the proceeding, certified by the board, within 10 days after the clerk's notice unless such time is extended by the court for good cause shown. The court shall have jurisdiction to grant to the board such temporary relief or restraining order it deems just and proper and in like manner to make and enter a decree enforcing, modifying, or setting aside the order of the board. The findings of the board with respect to questions of fact, including ultimate facts, if supported by substantial evidence on the record considered as a whole, are conclusive. The provisions of Title 1 (commencing with Section 1067) of Part 3 of the Code of Civil Procedure relating to writs shall, except where specifically superceded herein, apply to proceedings commenced pursuant to this section.

(e) If the time to petition for extraordinary relief from a board decision has expired, the board may seek enforcement of any final decision or order in a district court of appeal or a superior court in the district where the unit determination or unfair practice case occurred. If, after hearing, the court determines that the order was issued pursuant to procedures established by the board and that the person or entity refused to comply with the order, the court shall enforce such order by writ of mandamus. The court shall not review the merits of the order.

10428.7. (a) If online or group in-person preservice meetings or orientations are held for family child care providers by the state or a department, contractor, subcontractor, or political subdivision of the state, that entity shall provide a certified provider organization mandatory access to the entirety of those preservice meetings or orientations and the ability to make a presentation about the certified provider organization and its activities, its negotiations and memorandum of understanding, and membership at the preservice meeting or orientation trainings. The state or a department, contractor, subcontractor, or political subdivision of the state that is providing the preservice meeting or orientation shall notify the certified provider organization of its group in-person preservice meeting or orientation at least 10 days in advance of the preservice meeting or orientation, or, in the event that 10 days' notice is not possible, as soon as the entity providing the preservice meeting or orientation has notice of the planned preservice meeting or orientation. If participation in a preservice meeting or orientation is limited to current providers, the date, time, and place of the preservice meeting or orientation shall not be disclosed to anyone other than the providers, the certified provider organization, or a vendor that is contracted to provide a service for purposes of the preservice meeting or orientation.

(b) The structure, time, and manner of certified provider organization access to preservice meetings or orientations held for providers by the state, or a department, contractor, subcontractor, or political subdivision of the state, are within the scope of representation as described in Section 10424.5. This section does not prohibit agreements between a certified provider organization and the Governor, or the Governor's representative, that provide for preservice meetings or orientations that vary from the requirements of subdivision (a). If such an agreement is adopted as part of a memorandum of understanding pursuant to Section 10426, the requirements of this section shall not apply to the extent they are inconsistent with the agreement. In the absence of a mutual agreement regarding preservice meetings or orientations, all of the requirements of this section shall apply.

(c) For purposes of this section, the following definitions apply:

(1) "Group" means open to five or more providers or potential providers.

(2) "Orientation" means any presentation or meeting required for initial or continued participation in state-funded early care and education programs, any presentation or meeting where information required for participation in state-funded early care and education programs is communicated directly to providers or, if no such presentation or meeting is held in a county in a calendar month, the orientations required for license applicants as described in Section 1596.845 of the Health and Safety Code.

10429. (a) This section shall apply only if a provider organization has been certified pursuant to Section 10424.

(b) If the state, or a department, political subdivision, contractor, or subcontractor that administers a state-funded early care and education program chooses to disseminate mass communications to family child care providers or applicants for participation in state-funded early care and education programs concerning providers' rights to join or support a provider organization or a certified provider organization, or to refrain from joining or supporting a provider organization or a certified provider organization, the Department of Human Resources or the Governor's designee shall meet and confer with the certified provider organization concerning the content of the mass communication.

(c) If the state, or a department or political subdivision of the state that administers a state-funded early care or education program, is the entity sending a mass communication, and the Department of Human Resources and the certified provider

organization do not agree on the content of the mass communication covered by this section, and if the state, or a department or political subdivision of the state, still chooses to disseminate the mass communication, the state, or a department or political subdivision of the state, shall distribute to the family child care providers, in addition to, and at the same time as, its own mass communication, a communication of reasonable length provided to the state, or a department or political subdivision of the state, by the certified provider organization. The certified provider organization shall provide the state, or a department or political subdivision of the state, with adequate copies of its own mass communication before distribution.

(d) This section does not apply to the distribution of a communication concerning provider rights that has been adopted for purposes of this section by the Public Employment Relations Board or the Department of Human Resources.

(e) For purposes of this section, a "mass communication" means a written document, or script for an oral or recorded presentation or message, that is intended for delivery to multiple providers.

10429.5. To effectuate the purposes of this chapter, any training partnership that is established as a joint labor-management committee pursuant to paragraph (2) of subdivision (a) of Section 10424.5. to make recommendations as to any professional development and training program agreed to through the meet and confer process described in paragraph (4) of subdivision (a) of Section 10424.5, shall consult with public entities, including, but not limited to, the Early Childhood Policy Council and its subcommittees, the department, the Superintendent of Public Instruction, and nonprofit entities, including the California Child Care Resource and Referral Network, First 5 California, and local First 5 commissions.

CHAPTER 26. Direct Service Contract Procedure

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

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

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

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

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

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

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

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

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

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

(2) Notwithstanding paragraph (1), the department shall implement the regional market rate schedules based upon the county aggregates, as specified in Section 10374.5 and the annual Budget Act.

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

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

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

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

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

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

(a) No fiscal audit disclaimer.

(b) No program quality deficiencies.

(c) No contract compliance deficiencies.

(d) No incidents of child abuse or molestation.

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

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

CHAPTER 27. Direct Service Contract Audit Requirements

10440. As used in this chapter:

(a) "Financial and compliance audit" means a systematic review or appraisal to determine each of the following:

(1) Whether the financial statements of an audited organization fairly present the financial position and the results of financial operations in accordance with generally accepted accounting principles.

(2) Whether the organization has complied with laws and regulations that may have a material effect upon the financial statements.

(b) "Public accountants" means certified public accountants, or state licensed public accountants.

(c) "Independent auditors" means public accountants who have no direct or indirect relationship with the functions or activities being audited or with the business conducted by any of the officials or contractors being audited.

(d) "Generally accepted auditing standards" means the auditing standards set forth in the financial and compliance element of the "Government Auditing Standards" issued by the Comptroller General of the United States and incorporating the audit standards of the American Institute of Certified Public Accountants.

(e) "Direct service contract" means any contract with any public or private entity for child care and development programs, resource and referral programs, and programs contracting to provide support services as defined in Section 10213.5.

(f) "Nonprofit organization" means an organization described in Section 501(c)(3) of the Internal Revenue Code of 1954 which is exempt from taxation under Section 501(a) of that code, or any nonprofit, scientific, or educational organization qualified under Section 23701d of the Revenue and Taxation Code.

(g) (1) Annually, there shall be a single independent financial and compliance audit of organizations that contract with the state under a direct service contract. Any such audit shall include an evaluation of the accounting and control systems of the direct service contractor and of the activities by the contractor to comply with the financial requirements of direct service contracts received by the contractor from the state agency. The financial and compliance requirements to be reviewed during the audit shall be those developed and published by the department in consultation with the Department of Finance. Audits carried out pursuant to this section shall be audits of the contractor rather than audits of individual contracts or programs. In the case of any contractor that receives less than twenty-five thousand dollars (\$25,000) per year from any state agency, the audit required by this section shall be conducted biennially, unless there is evidence of fraud or other violation of state law in connection with the direct service contract. The cost of the audit may be included in direct service contracts.

(2) The organization receiving funds from the state shall be responsible for obtaining the required financial and compliance audits of the organization and any subcontractors, except for direct service subcontracts and other subcontracts exempt from the department review, as agreed to by the Departments of Finance and General Services. The audits shall be made by independent auditors in accordance with generally accepted auditing standards. The audit shall be completed by the 15th day of the fifth month following the end of the contractor's fiscal year. A copy of the required audit shall be filed with the department upon its completion. In the event an audit is not filed, the department shall notify the organization of the contract violation. The audit report filed shall be an integral part of the direct service contract file.

(h) (1) Nothing in this chapter limits the authority of the department to make audits of direct service contracts. However, if independent audits arranged for by direct service contractors meet generally accepted auditing standards, the department shall rely on those audits and any additional audit work shall build upon the work already done.

(2) Nothing in this chapter precludes the state from conducting, or contracting for the conduct of, contract performance audits which are not financial and compliance audits.

(3) Nothing in this chapter limits the state's responsibility or authority to enforce state law or regulations, procedures, or reporting requirements arising pursuant thereto.

(4) Nothing in this chapter limits the responsibility of the department to provide an independent appeal procedure according to the provisions of the Administrative Procedure Act (Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2) of the Government Code.

10441. (a) All child development contractors are encouraged to develop and maintain a reserve within the child development fund, derived from earned but unexpended funds. Child development contractors may retain all earned funds. For purposes of this section, "earned funds" are those for which the required number of eligible service units have been provided.

(b) (1) Earned funds shall not be expended for activities proscribed by Section 10398. Earned but unexpended funds shall remain in the contractor's reserve account within the child development fund and shall be expended only by direct service child development programs that are funded under contract with the department.

(2) Commencing July 1, 2011, a contractor may retain a reserve fund balance, separate from the reserve fund retained pursuant to subdivision (c) or (d), equal to 15 percent of the sum of the maximum reimbursable amounts of all contracts to which the contractor is a party, or two thousand dollars (\$2,000), whichever is greater. This subparagraph applies to direct service child development contracting agencies that are funded under contract with the department.

(c) Notwithstanding subdivisions (a) and (b), a contractor may retain a reserve fund balance for a resource and referral program, separate from the balance retained pursuant to subdivision (b) or (d), not to exceed 3 percent of the contract amount. Funds from

this reserve account may be expended only by resource and referral programs that are funded under contract with the department.

(d) Notwithstanding subdivisions (a) and (b), a contractor may retain a reserve fund balance for alternative payment model and certificate child care contracts, separate from the reserve fund retained pursuant to subdivisions (b) and (c). Funds from this reserve account may be expended only by alternative payment model and certificate child care programs that are funded under contract with the department. The reserve amount allowed by this subdivision may not exceed either of the following, whichever is greater:

(1) Two percent of the sum of the parts of each contract to which that contractor is a party that is allowed for administration pursuant to Section 10302 and that is allowed for supportive services pursuant to the provisions of the contract.

(2) One thousand dollars (\$1,000).

(e) Each contractor's audit shall identify any funds earned by the contractor for each contract through the provision of contracted services in excess of funds expended.

(f) Any interest earned on reserve funds shall be included in the fund balance of the reserve. This reserve fund shall be maintained in an interest-bearing account.

(g) Moneys in a contractor's reserve fund may be used only for expenses that are reasonable and necessary costs as defined in subdivision (n) of Section 10213.5.

(h) Any reserve fund balance in excess of the amount authorized pursuant to subdivisions (b), (c), and (d) shall be returned to the department pursuant to procedures established by the department.

(i) Upon termination of all child development contracts between a contractor and the department, all moneys in a contractor's reserve fund shall be returned to the department pursuant to procedures established by the department.

(j) Expenditures from, additions to, and balances in, the reserve fund shall be included in the contracting agency's annual financial statements and audit.

CHAPTER 30. Child Care and Development Facilities Capital Outlay

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

(a) For the purchase of relocatable facilities by the state for lease to qualifying contracting agencies in areas with no available economically practical or feasible child care and development facilities.

(b) For renovation and repair of child care and development facilities in order to comply with state and local health and safety standards and licensing requirements, without unnecessarily increasing the value of the facility.

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

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

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

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

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

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

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

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

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

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

10472. (a) There is hereby created in the State Treasury the State Child Care Capital Outlay Fund. Notwithstanding Section 13340 of the Government Code, all moneys in the State Child Care Capital Outlay Fund, including moneys deposited in that fund from any source whatsoever, shall be continuously appropriated without regard to fiscal year for expenditure pursuant to the provisions of this chapter. The fund shall be administered by the State Allocation Board, which may authorize the expenditure of any moneys in the fund for capital outlay projects pursuant to Section 10307 or this chapter. Funds in the State Child Care Facilities Fund set aside for the purposes of providing extended day care facilities pursuant to Section 8477 shall be transferred to the State Child Care Capital Outlay Fund upon the effective date of the act amending this section in the 1997–98 Regular Session.

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

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

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

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

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

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

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

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

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

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

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

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

(i) If at any time the board determines that a lessees' need for particular relocatable facilities that were made available to the lessee pursuant to this chapter has ceased, the board may take possession of the relocatable facilities and may lease them to

other eligible contracting agencies, or, if there is no longer a need for the relocatable facilities, the board may dispose of them to public or private parties in the manner it deems to be in the best interests of the state.

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

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

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

- (1) Programs experiencing emergencies as defined by the department and the State Allocation Board.
- (2) Expansion of child care services.

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

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

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

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

- (1) Establish procedures and policies in connection with the administration of this section it deems necessary.
- (2) Adopt rules and regulations for the administration of this section requiring procedure, forms, and information it deems necessary.

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

- (1) Document that the renovated facility shall comply with all laws and regulations applicable to child care facilities provided for pursuant to Chapter 3.4 (commencing with Section 1596.70) and Chapter 3.5 (commencing with Section 1596.90) of Division 2 of the Health and Safety Code.
- (2) Demonstrate to the satisfaction of the board that it will have sufficient revenues to pay the principal and interest on the loan and to maintain the operation of the child care facility.

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

- (1) For loans equal to or less than thirty thousand dollars (\$30,000), not less than three years from the beginning of the loan period.
- (2) For loans exceeding thirty thousand dollars (\$30,000), the fixed period of time shall increase one year for each additional ten thousand dollars (\$10,000) or part thereof, to a maximum of fifty thousand dollars (\$50,000).

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

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

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

CHAPTER 31. Local Planning Councils

Article 1. Definitions

10480. For purposes of this chapter, the following definitions shall apply:

- (a) "Block grant" means the block grant contained in Title VI of the Child Care and Development Fund, as established by the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193).
- (b) "Child care" means all licensed child care and development services and license-exempt child care, including, but not limited to, private for-profit programs, nonprofit programs, and publicly funded programs, for all children up to and including 12 years of age, including children with exceptional needs and children from all linguistic and cultural backgrounds.
- (c) "Child care provider" means a person who provides child care services or represents persons who provide child care services.
- (d) "Community representative" means a person who represents an agency or business that provides private funding for child care services, or who advocates for child care services through participation in civic or community-based organizations but is not a child care provider and does not represent an agency that contracts with the department to provide child care and development services.
- (e) "Consumer" means a parent or person who receives, or who has received within the past 36 months, child care services.
- (f) "Department" means the State Department of Social Services.
- (g) "Local planning council" means a local child care and development planning council as described in Section 10485.
- (h) "Public agency representative" means a person who represents a city, county, city and county, or local educational agency.

Article 2. Membership and Funding of Local Child Care Development Planning Councils

10485. (a) It is the intent of the Legislature that local child care and development planning councils shall provide a forum for the identification of local priorities for child care and the development of policies to meet the needs identified within those priorities.

(b) The county board of supervisors and the county superintendent of schools shall do both of the following:

(1) Select the members of the local planning council. Before making selections pursuant to this subdivision, the board of supervisors and the county superintendent of schools shall publicize their intention to select the members and shall invite local organizations to submit nominations. In counties in which the superintendent is appointed by the county board of education, the county board of education may make the appointment or may delegate that responsibility to the superintendent.

(2) Establish the term of appointment for the members of the local planning council.

(c) (1) The local planning council shall be comprised as follows:

(A) Twenty percent of the membership shall be consumers.

(B) Twenty percent of the membership shall be child care providers, reflective of the range of child care providers in the county.

(C) Twenty percent of the membership shall be public agency representatives.

(D) Twenty percent of the membership shall be community representatives, who shall not be child care providers or agencies that contract with the department to provide child care and development services.

(E) The remaining 20 percent shall be appointed at the discretion of the appointing agencies.

(2) The board of supervisors and the county superintendent of schools shall each appoint one-half of the members. In the case of uneven membership, both appointing entities shall agree on the odd-numbered appointee.

(d) Every effort shall be made to ensure that the ethnic, racial, and geographic composition of the local planning council is reflective of the ethnic, racial, and geographic distribution of the population of the county.

(e) The board of supervisors and county superintendent of schools may designate an existing child care planning council or coordinated child and family services council as the local planning council, as long as it has or can achieve the representation set forth in this section.

(f) Upon establishment of a local planning council, the local planning council shall elect a chair and select a staff.

(g) Each local planning council shall develop and implement a training plan to provide increased efficiency, productivity, and facilitation of local planning council meetings. This may include developing a training manual, hiring facilitators, and identifying strategies to meet the objectives of the council.

(h) No member of a local planning council shall participate in a vote if the member has a proprietary interest in the outcome of the matter being voted upon.

10486. (a) The department shall allocate child care funding pursuant to this part 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 and the State Department of Education 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.

(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 10236.

(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 to determine if identified priorities are being met.

(6) Collaborate with subsidized and nonsubsidized 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 Chapter 18 (commencing with Section 10340).

(d) The department shall, in conjunction with 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) 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.

10487. It is the intent of the Legislature that any additional conditions imposed upon local planning councils shall be funded from available federal funds to the greatest extent legally possible.

CHAPTER 32. Head Start

10490. The Legislature finds and declares all of the following:

(a) The Congress has recognized the importance of the transfer from preschool to primary school. Section 642A of Title VI of Subtitle A of Chapter 8 of Subchapter B of the federal Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35) was enacted to require grantees of federal Head Start funds to take steps to coordinate with and involve the local educational agency serving the community, including, but not limited to, all of the following:

(1) Developing and implementing a systematic procedure for transferring, with parental consent, Head Start program records for each participating child to the school in which the child will enroll.

(2) Establishing channels of communication between Head Start staff and their counterparts in the schools, including, but not limited to, teachers, social workers, and health staff, to facilitate the coordination of programs.

(3) Conducting meetings involving parents, kindergarten or elementary school teachers, and Head Start program teachers to discuss the educational, developmental, and other needs of individual children.

(4) Organizing and participating in joint transition-related training of school staff and Head Start staff.

(5) Developing and implementing a family outreach and support program in cooperation with entities carrying out parental involvement efforts under Title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. Sec. 6301 et seq.).

(6) Assisting families, administrators, and teachers in enhancing educational and developmental continuity between Head Start services and elementary school classes.

(7) Linking the services provided in the Head Start program with the education services provided by the local educational agency.

(b) The department shall advise local education agencies of these federal requirements.

SEC. 261. Section 11323.2 of the Welfare and Institutions Code is amended to read:

11323.2. (a) Necessary supportive services shall be offered and available to every participant to enable them to participate in a program activity or to accept or maintain employment. Necessary supportive services shall also be offered and available to every individual who is not required to participate, but chooses to participate voluntarily, to allow them to participate in a program activity or to accept or maintain employment. A participant who is required to participate and who does not receive necessary supportive services shall have good cause for not participating under subdivision (f) of Section 11320.3. Supportive services shall be listed in

the welfare-to-work plan or other agreement entered into between the county and participant pursuant to this article, supportive services shall include all of the following:

(1) Child care.

(A) Paid child care shall be available to every participant with a dependent child in the household who needs paid child care if the child is 12 years of age or under, or requires child care or supervision due to a physical, mental, or developmental disability or other similar condition as verified by the county welfare department, or who is under court supervision. A county welfare department may verify the need for child care or supervision for a child over 12 years of age from an individualized education plan or a statement from a qualified professional that the child is a child with exceptional needs, as defined in Section 10213.5. A sanctioned participant shall have access to child care pursuant to this section if the participant has indicated an intent to engage in a program activity or employment, but has not yet participated.

(B) First-stage child care, as described in Chapter 21 (commencing with Section 10370) of Part 1.8, shall be full time, unless the participant determines that part-time care better meets the family's needs. Upon establishing initial or ongoing eligibility for first-stage child care services under this chapter, a family shall be considered to meet all eligibility and need requirements and be authorized for not less than 12 months, or until the participant is transferred to the second stage of child care. This shall apply to every participant who indicates a need for child care in order to engage in a program activity or employment. A participant may, at any time, indicate a new or increased need for child care and the information shall be used, as applicable, to authorize child care in accordance with this subparagraph or increase the family's services.

(C) Necessary child care services shall be available to every former recipient for up to two years, pursuant to Chapter 21 (commencing with Section 10370) of Part 1.8. Beginning January 1, 2021, or the date that automation changes occur, as required for implementation, in the Statewide Automated Welfare System, whichever date is later, in the 18th month following the date of last receipt of aid, the county shall send a notice, via mail to the last known address, text message, or email, to a former recipient who is not currently receiving second or third stage child care informing them that their eligibility for stage-two child care will expire by the end of the 24th month following their last receipt of aid, and how to obtain stage-two child care services. The department shall issue an all-county letter or similar directive by November 1, 2019, to implement this subparagraph, until regulations are adopted.

(D) A child in foster care receiving benefits under Title IV-E of the federal Social Security Act (42 U.S.C. Sec. 670 et seq.), or a child who would become a dependent child except for the receipt of federal Supplemental Security Income benefits pursuant to Title XVI of the federal Social Security Act (42 U.S.C. Sec. 1381 et seq.), or a child who is not a member of the assistance unit but for whom the recipient is responsible for providing support, shall be deemed to be a dependent child for the purposes of this paragraph.

(E) The provision of care and payment rates under this paragraph shall be governed by Chapter 21 (commencing with Section 10370) of Part 1.8. Parent fees shall be governed by Sections 10271 and 10291.

(F) For purposes of subparagraphs (A) and (B), a participant includes an individual who is not required to participate, and expresses an intent to participate voluntarily, or a sanctioned participant who indicates an intent to engage in any program activity, as defined in subdivision (c), or employment. After securing child care services, to document their commitment to participate, a participant shall sign a welfare-to-work plan or a curing plan, whichever is appropriate, or other agreement that may be developed and approved for use on a statewide basis by the department.

(2) Diaper costs.

(A) On and after April 1, 2018, a participant who is participating in a welfare-to-work plan shall be eligible for thirty dollars (\$30) per month to assist with diaper costs for each child who is under 36 months of age.

(B) The department shall adopt regulations by January 1, 2020, to implement this paragraph. 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 shall implement this paragraph through all-county letters until regulations are adopted.

(3) Transportation costs, which shall be governed by regional market rates as determined in accordance with regulations established by the department.

(4) Ancillary expenses, which shall include the cost of books, tools, clothing specifically required for the job, fees, and other necessary costs.

(5) Personal counseling. A participant who has personal or family problems that would affect the outcome of the welfare-to-work plan entered into pursuant to this article shall, to the extent available, receive necessary counseling and related supportive

services, to help the participant and the participant's family adjust to the participant's job or training assignment.

(b) If provided in a county plan, the county may continue to provide case management and supportive services under this section to former participants who become employed. The county may provide these services for up to the first 12 months of employment to the extent they are not available from other sources and are needed for the individual to retain the employment.

(c) For the purposes of paragraph (1) of subdivision (a), "program activity" includes, but is not limited to, any welfare-to-work activity, orientation, appraisal, assessment, job search, job club, domestic violence services, court appearances, housing searches and classes, homeless support programs, shelter participation requirements, eviction proceedings, mental health services, including therapy or personal counseling, home visiting, drug and substance abuse services, parenting classes, and medical or education-related appointments for the participant or their dependents.

SEC. 262. Section 3 of Chapter 6 of the Statutes of 2021 is amended to read:

Sec. 3. (a) The Legislature hereby finds and declares the federal Consolidated Appropriations Act, 2021 and Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act of 2021 (Public Law 116-260) awarded the state nine hundred sixty-four million three hundred twenty-four thousand four hundred eighty-three dollars (\$964,324,483) in supplemental Child Care and Development Fund program funding to address the needs of childcare providers, including state preschool programs, and families resulting from the coronavirus disease 2019 (COVID-19) pandemic.

(b) In response to the COVID-19 pandemic, the Legislature hereby appropriates the sum of three hundred sixty-five million three hundred twenty thousand dollars (\$365,320,000) in federal funds, in addition to the twenty million dollars (\$20,000,000) previously allocated for this purpose in the Budget Act of 2020 (Ch. 8, Stats. 2020), to provide subsidized childcare and preschool providers with COVID-19 pandemic-related assistance.

(c) Of the three hundred sixty-five million three hundred twenty thousand dollars (\$365,320,000) in federal funds, the Legislature hereby allocates the funding as follows:

(1) Two hundred million twenty thousand dollars (\$200,020,000) shall be allocated to provide a flat-rate one-time stipend amount of five hundred twenty-five dollars (\$525) per child enrolled in a subsidized childcare or a state preschool program pursuant to subparagraph (A). The state shall provide the flat-rate one-time stipend amount for all childcare providers and state preschool programs serving children pursuant to this paragraph based on the number of subsidized children enrolled. This flat-rate one-time stipend shall be issued based on program data for November 2020 enrollment. A stipend may be used to support subsidized childcare providers and state preschool programs with COVID-19 pandemic relief, and, in the case of decreased enrollment or closures, to ensure that childcare providers and state preschool programs are able to remain open or reopen.

(A) The flat-rate one-time stipend shall be payable to subsidized childcare providers and state preschool programs operating or serving programs pursuant to Article 3 (commencing with Section 8220) of, Article 6 (commencing with Section 8230) of, Article 7 (commencing with Section 8235), Article 8 (commencing with Section 8240) of, Article 8.5 (commencing with Section 8245) of, Article 9 (commencing with Section 8250) of, or Article 15.5 (commencing with Section 8350) of, Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, as these provisions read on February 3, 2021.

(B) Of the two hundred million twenty thousand dollars (\$200,020,000), up to sixteen million dollars (\$16,000,000) shall be allocated to the State Department of Social Services to provide a flat-rate one-time stipend amount of five hundred twenty-five (\$525) per each child enrolled in the California Work Opportunities and Responsibility to Kids (CalWORKs) Stage 1 program pursuant to Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, as these provisions read on February 3, 2021. If additional funding is needed based on program data for November 2020 enrollment, a budget revision shall be submitted by the State Department of Education and the State Department of Social Services to the Controller to shift the appropriate funding amounts identified for CalWORKs Stage 1 providers to or from the State Department of Social Services for distribution.

(C) In addition to the flat-rate one-time stipend amount of five hundred twenty-five dollars (\$525) per child enrolled, the Superintendent of Public Instruction and the State Department of Social Services shall provide alternative payment and direct contract programs with a 5 percent administrative fee for distributing stipends to these providers.

(D) The Superintendent of Public Instruction and the State Department of Social Services shall allocate stipends for distribution to childcare providers and the state preschool programs.

(E) The State Department of Education and the State Department of Social Services shall exchange any essential data necessary to issue stipend payments to childcare providers.

(F) The state may designate another agency or agencies to distribute these funds to childcare providers. Contracts or grants awarded pursuant to this section shall be exempt from the personal services contracting requirements of Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code. Contracts or

grants awarded pursuant to this section shall be exempt from the Public Contract Code and the State Contracting Manual, and shall not be subject to the approval of the Department of General Services.

(G) The funding described under this paragraph is subject to the federal usage limitations and federal and state program eligibility requirements.

(2) (A) Eighty-three million three hundred thousand dollars (\$83,300,000) in federal funds shall be allocated to existing state-subsidized alternative payment programs, including, but not limited to, alternative payment programs for migrant childcare and development programs pursuant to Article 6 (commencing with Section 8230) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, to extend childcare services for essential workers, at-risk children, and children with disabilities or special health care needs whose individualized education programs or individualized family service plans include early learning and care services and who accessed childcare services pursuant to Senate Bill 89 (Chapter 2 of the Statutes of 2020) and were unable to get ongoing childcare services through the additional funds provided in Schedule (3), and described in Provision (7), of Item 6100-194-0890 of Section 2.00 of the Budget Act of 2020, through June 30, 2022, inclusive.

(B) If an alternative payment program projects that it may have unspent funds after childcare services are provided pursuant to paragraph (1), the alternative payment program may utilize the funds to enroll additional children in emergency childcare pursuant to paragraph (3).

(3) (A) Eighty million dollars (\$80,000,000) in federal funds shall be allocated to provide additional emergency vouchers for children of essential workers, at-risk children, and children with disabilities or special health care needs whose individualized education plan or individualized family service plans include early learning and care and who are eligible for services under Chapter 2 (commencing with Section 8200) of Part 6 of Division 1 of Title 1 of the Education Code, through June 30, 2022, inclusive.

(i) Funding shall be divided between the California Alternative Payment Program pursuant to Article 3 (commencing with Section 8220) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code and the Migrant Alternative Payment Program, pursuant to Article 6 (commencing with Section 8230) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, based on the ratio of the Migrant Alternative Payment Program contract amounts to the sum of the California Alternative Payment Program contracts and Migrant Alternative Payment Program contracts.

(ii) Funding for alternative payment programs pursuant to Article 3 (commencing with Section 8220) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code shall be distributed as a percent of the total based on allocated funds pursuant to Section 2 of Senate Bill 89 (Chapter 2 of the Statutes of 2020).

(B) Guidance for enrolling additional children shall be as similar as possible to the guidance issued for children receiving services pursuant to Section 2 of Senate Bill 89 (Chapter 2 of the Statutes of 2020).

(4) One million seven hundred fifty thousand dollars (\$1,750,000) in federal funds shall be allocated to the State Department of Education for administrative costs.

(5) Two hundred fifty thousand dollars (\$250,000) in federal funds shall be allocated to the State Department of Social Services for administrative costs.

(d) (1) A state-subsidized childcare provider operating or serving alternative payment programs pursuant to Article 3 (commencing with Section 8220) of, Article 6 (commencing with Section 8230) of, Article 8.5 (commencing with Section 8245) of, or Article 15.5 (commencing with Section 8350) of, Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, as these provisions read on February 3, 2021, shall be eligible for an additional 16 paid nonoperational days when the provider is closed due to the COVID-19 pandemic emergency.

(2) These 16 paid nonoperational days shall be in addition to the current 14 paid nonoperational days for COVID-19 pandemic-related closures allowable pursuant to clause (i) of subparagraph (C) of paragraph (1) of subdivision (d) of Section 60 of Senate Bill 820 (Chapter 110 of the Statutes of 2020), and the current 10 paid nonoperational days allowable by paragraph (2) of subdivision (b) of Section 18076.2 of Title 5 of the California Code of Regulations, between September 1, 2020, and June 30, 2021.

(3) An alternative payment program, a migrant alternative payment program, a family childcare home education network, and a county welfare department administering a subsidized childcare program pursuant to paragraph (1) shall track the usage of paid nonoperational days and associated costs due to the COVID-19 pandemic emergency and short-term childcare to eligible children, pursuant to this subdivision, and report monthly on usage to the State Department of Education and the State Department of Social Services. The use of nonoperational days and associated costs reported to the State Department of Education shall be used to determine reimbursements, as described in this subdivision.

(4) The State Department of Education shall issue guidance to family childcare home education network programs operating pursuant to Article 8.5 (commencing with Section 8245) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, as these provisions read on February 3, 2021. This guidance shall direct family childcare home education network programs to use the additional 16 nonoperational days for COVID-19 related closures not reimbursed by subdivision (f) of Section 8209 of the Education Code.

(e) The funding described in this section shall be subject to federal usage limitations and federal and state program eligibility requirements.

(f) (1) The Legislature finds and declares that the purpose of paragraph (1) of subdivision (c) and paragraph (1) of subdivision (d), with the exception of the California state preschool program, is to approve an agreement entered into by the Governor and Child Care Providers United - California pursuant to Section 8435.5 of the Education Code.

(2) The provisions of the agreement prepared pursuant to Section 8435.5 of the Education Code and entered into by the Governor and Child Care Providers United - California, dated February 5, 2021, that require the expenditure of funds or legislative action to permit their implementation, are hereby approved by the Legislature for the purposes of subdivision (b) of Section 8435.5 of the Education Code.

(3) The provisions of the agreement approved in paragraph (2) that require the expenditure of funds shall not take effect unless funds for these provisions are specifically appropriated by the Legislature. If funds for these provisions are not specifically appropriated by the Legislature, either the Governor or Child Care Providers United - California may reopen negotiations on all or part of the agreement.

(g) For purposes of this section, the following definitions apply:

(1) "At-risk children" means children identified as any of the following:

(A) Those receiving child protective services.

(B) Those at risk of abuse, neglect, or exploitation.

(C) Those who are eligible through the Emergency Child Care Bridge Program for Foster Children as established pursuant to Section 11461.6 of the Welfare and Institutions Code.

(D) Those experiencing homelessness as defined in subdivision (ak) of Section 8208 of the Education Code.

(E) Domestic violence survivors.

(2) "Essential worker" has the same meaning as "essential critical infrastructure worker" pursuant to Executive Order No. N-45-20.

(3) "State" means the State Department of Education, the State Department of Social Services, and the Department of Finance.

SEC. 263. (a) In response to the COVID-19 pandemic, the Legislature hereby makes available the sum of five hundred seventy-nine million dollars (\$579,000,000) to provide subsidized child care, state preschool, and all licensed child daycare facilities with COVID-19 pandemic-related assistance. Of the five hundred seventy-nine million dollars (\$579,000,000), five hundred nineteen million (\$519,000,000) is allocated from the funds described in subdivision (d) of Provision 5 of Item 6100-149-0890 of the Budget Act of 2021 (Ch. 21, Stats. 2021), as amended by Senate Bill 129 of the 2021–22 Regular Session, and sixty million dollars (\$60,000,000) in federal funds is hereby appropriated to the State Department of Education. The State Department of Education shall transfer five hundred twenty-nine million dollars (\$529,000,000) of those funds to the State Department of Social Services to administer the activities described in this section.

(b) Of the five hundred seventy-nine million dollars (\$579,000,000), the Legislature hereby allocates the funding as follows:

(1) Two hundred five million five hundred forty thousand dollars (\$205,540,000) shall be allocated to the State Department of Social Services and the State Department of Education to provide a flat-rate one-time stipend amount of six hundred dollars (\$600) per child enrolled in a subsidized child care or a state preschool program pursuant to subparagraph (A). The state shall provide the flat-rate one-time stipend amount for all child care providers and state preschool programs serving children described in this paragraph based on the number of subsidized children enrolled. Except as otherwise described in this paragraph, this flat-rate one-time stipend shall be issued based on program data for March 2021 enrollment only. For seasonal Migrant Child Care programs that operate pursuant to Article 6 (commencing with Section 8230) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, and that did not operate in March 2021, stipends shall be based on the most recent prior month of operation. A stipend may be used to support subsidized child care providers and state preschool programs with COVID-19 pandemic relief, and, in the case of decreased enrollment or closures, to support child care providers and state preschool programs in remaining open or reopening.

(A) The flat-rate one-time stipend shall be payable to subsidized child care providers and state preschool programs operating or serving programs pursuant to Article 3 (commencing with Section 8220) of, Article 6 (commencing with Section 8230) of, Article 7 (commencing with Section 8235), Article 8 (commencing with Section 8240) of, Article 8.5 (commencing with Section 8245) of, Article 9 (commencing with Section 8250) of, or Article 15.5 (commencing with Section 8350) of, Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, or Article 6 (commencing with Section 11461.6) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, as those provisions read on February 3, 2021.

(B) In addition to the flat-rate one-time stipend amount of six hundred dollars (\$600) per child enrolled, the Superintendent of Public Instruction and the State Department of Social Services shall provide state preschool programs, county welfare departments, alternative payment and direct contract programs distributing stipends to these providers with a 5 percent administrative fee.

(C) The State Department of Education shall allocate stipends for distribution to the state preschool programs and the State Department of Social Services shall allocate stipends for distributions to child care providers.

(D) The State Department of Education and the State Department of Social Services shall exchange any essential data necessary to issue stipend payments to child care providers.

(E) The State Department of Education and the State Department of Social Services may designate another agency or agencies to distribute these funds to child care providers.

(F) Of the two hundred five million five hundred forty thousand dollars (\$205,540,000), the following shall be allocated for administrative costs related to the implementation of this paragraph and subparagraph (A) of paragraph (2):

(i) One million seven hundred fifty thousand dollars (\$1,750,000) to the State Department of Social Services.

(ii) Two hundred fifty thousand dollars (\$250,000) to the State Department of Education.

(2) (A) One hundred seventy-six million eight hundred sixty thousand dollars (\$176,860,000) shall be allocated to provide a flat-rate one-time stipend to all licensed child daycare facilities in the state, including the temporarily closed facilities named on the "CCP COVID19 Facility Closures" report, who have a child day care facility license on June 25, 2021, subject to review for any facilities with a pending administrative action for license revocation that subsequently results in the permanent closure of the facility. Stipend amounts shall be provided based on the facility type and licensed capacity, as follows:

(i) Three thousand five hundred dollars (\$3,500) per family daycare home.

(ii) Three thousand five hundred dollars (\$3,500) per daycare center with a maximum licensed capacity of 14 children or fewer.

(iii) Four thousand dollars (\$4,000) per daycare center with a maximum licensed capacity of 15 to 24, inclusive, children.

(iv) Five thousand dollars (\$5,000) per daycare center with a maximum licensed capacity of 25 and 60, inclusive, children.

(v) Six thousand five hundred dollars (\$6,500) per day care center with a licensed capacity of more than 60 children.

(B) Stipends shall be used to support COVID-19 pandemic-related relief, including, but not limited to, support for decreased enrollment, increased costs associated with distance learning, increased costs due to cleaning and sanitization, and other activities necessary to maintain or resume the operation of programs, including for fixed costs and increased operating expenses due to the COVID-19 pandemic. The intent and expectation is that licensees share a portion of the stipends directly with their staff in the form of bonuses or incentive pay.

(C) The State Department of Social Services shall distribute stipends to licensed child day care facilities.

(D) The State Department of Social Services may designate another agency or agencies to distribute these funds to licensed child day care facilities.

(3) Sixty million dollars (\$60,000,000) in one-time funding shall be allocated to reimburse child care and preschool contractors for family fees that are waived pursuant to subparagraph (A).

(A) Notwithstanding any other law, from July 1, 2021, to June 30, 2022, inclusive, family fees are waived for all families receiving subsidized child care services from child care providers and state preschool programs administered by the State Department of Social Services and the State Department Education pursuant to Article 3 (commencing with Section 8220) of, Article 6 (commencing with Section 8230) of, Article 7 (commencing with Section 8235) of, Article 8 (commencing with Section 8240) of, Article 8.5 (commencing with Section 8245) of, Article 9 (commencing with Section 8250) of, or Article 15.5

(commencing with Section 8350) of, Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, or Article 6 (commencing with Section 11461.6) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, as those provisions read on February 3, 2021.

(B) During any period in which family fees are waived, contractors shall reimburse the subsidized child care providers for the full amount of the certificate or voucher without deducting family fees.

(C) The State Department of Social Services, in consultation with the State Department of Education, shall submit a Child Care and Development Fund (CCDF) state plan amendment to include family fee waivers and reimbursement for waived family fees, as described in subparagraphs (A) and (B), to the federal Administration for Children and Families (ACF) for approval pursuant to the federal guidance provided in Information Memorandum CCDF-ACF-IM-2021-01 on CCDF discretionary funds appropriated in the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act (P.L. 116-260).

(4) (A) Thirty one million dollars (\$31,000,000) shall be allocated to provide a state-subsidized child care provider operating or serving programs funded by a county, alternative payment program, or a family child care home education network pursuant to Article 3 (commencing with Section 8220) of, Article 6 (commencing with Section 8230) of, Article 8.5 (commencing with Section 8245) of, or Article 15.5 (commencing with Section 8350) of, Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, and Article 6 (commencing with Section 11461.6) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, as those provisions read on February 3, 2021, up to 16 additional paid nonoperational days between July 1, 2021, and June 30, 2022, inclusive, if the provider is closed due to COVID-19 related reasons.

(B) An alternative payment program, a migrant alternative payment program, a family child care home education network, and a county welfare department administering a subsidized child care program pursuant to subparagraph (A) shall track the usage of paid nonoperational days and associated costs due to the COVID-19 pandemic emergency and short-term child care to eligible children and report monthly on usage to the State Department of Social Services and the State Department of Education. The use of nonoperational days and associated costs reported to the State shall be used to determine reimbursements for nonoperational days as described in this subdivision.

(C) The State Department of Social Services and State Department of Education shall issue guidance to family child care home education network programs operating pursuant to Article 8.5 (commencing with Section 8245) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, as those provisions read on February 3, 2021, that directs family child care home education network programs to use the additional 16 nonoperational days for COVID-19 related closures not reimbursed by subdivision (f) of Section 8209 of the Education Code, as it read on February 3, 2021.

(5) (A) Seventy million dollars (\$70,000,000) shall be allocated to provide support, as described in subparagraph (B), through June 30, 2022, to alternative payment programs, including migrant alternative payment programs, and to state-subsidized child care providers, including daycare centers, family daycare homes, and license-exempt providers, that serve children through an alternative payment program pursuant to Article 3 (commencing with Section 8220), migrant child care and development programs pursuant to Article 6 (commencing with Section 8230), the California state preschool program pursuant to Article 7 (commencing with Section 8235), a general child care and development program pursuant to Article 8 (commencing with Section 8240), a family child care home education network pursuant to Article 8.5 (commencing with Section 8245), child care and development services for children with special needs pursuant to Article 9 (commencing with Section 8250), or a CalWORKs Stage 1, Stage 2, or Stage 3 program, pursuant to Article 15.5 (commencing with Section 8350) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, as those provisions read on February 3, 2021.

(B) Notwithstanding subdivision (d) of Section 8221.5 of the Education Code, as it read on February 3, 2021, reimbursement for child care providers, including license-exempt providers, shall be based on families' certified need, as follows:

(i) Providers shall be reimbursed based on the maximum authorized hours of care, regardless of attendance.

(ii) For families certified for a variable schedule, providers shall be reimbursed based on the maximum authorized hours of care.

(iii) For license-exempt providers that provide part-time services, providers shall be reimbursed based on the maximum authorized hours of care.

(6) (A) Contracting agencies operating a migrant child care and development program pursuant to Article 6 (commencing with Section 8230), a California state preschool program pursuant to Article 7 (commencing with Section 8235), a general child care and development program pursuant to Article 8 (commencing with Section 8240), a child care and development services for children with special needs program pursuant to Article 9 (commencing with Section 8250), or a family child care home education network program pursuant to Article 8.5 (commencing with Section 8245) of, Chapter 2 of Part 6 of Division 1 of Title

1 of the Education Code, as those provisions read on February 3, 2021, shall be reimbursed according to subparagraph (B), if they meet either of the following requirements:

(i) The program is open and operating in accordance with their approved program calendar and remains open and offering services through the program year.

(ii) The program operated by the contracting agency is closed by local or state public health order or guidance due to the COVID-19 pandemic.

(B) Reimbursement pursuant to subparagraph (A) shall be 100 percent of the contract maximum reimbursable amount or net reimbursable program costs, whichever is less, pursuant to guidance released by the Superintendent of Public Instruction and the State Department of Social Services for their respective programs.

(C) A child care or preschool program specified in subparagraph (A) that is physically closed as described in clause (ii) of subparagraph (A) due to the COVID-19 pandemic, but funded to be operational, shall provide distance learning services, as specified by the Superintendent of Public Instruction and the State Department of Social Services for their respective programs. A contractor specified in subparagraph (A) shall submit a distance learning plan to the department overseeing their contract pursuant to guidance from the applicable department.

(7) One-time funding of twenty-five million dollars (\$25,000,000) shall be allocated to the existing Child Care Initiative Project (CCIP), which may be used to address child care deserts, including, but not limited to, where infant and toddler care has the greatest unmet need, and to support providers who have closed during the pandemic in reopening. Funding allocated pursuant to this paragraph shall be liquidated by September 30, 2023.

(8) One-time funding of ten million six hundred thousand dollars (\$10,600,000) shall be allocated to expand the California Inclusion and Behavior Consultation (CIBC) project to support the expertise, best practices, and well-being of child care providers in order to promote the health, safety, and well-being of the children and families they serve who are impacted by COVID-19. Funding allocated pursuant to this paragraph shall be liquidated by September 30, 2023.

(c) Notwithstanding subdivision (b) of Section 8221.5 of the Education Code, as it read on February 3, 2021, if a child care provider attempts to collect a signature on the monthly attendance record or invoice and the parent or guardian is unable to sign due to the COVID-19 pandemic, the child care provider may, for monthly attendance records or invoices from July 1, 2021, through June 30, 2022, inclusive, or from July 1, 2021, through the end of the state of emergency declared by the Governor on March 4, 2020, in response to the COVID-19 pandemic, whichever period is shorter, submit an attendance record or invoice without the parent or guardian signature, subject to guidance issued by the applicable department.

(d) The funding described in this section shall be subject to federal usage limitations and federal and state program eligibility requirements.

(e) (1) The Legislature hereby approves the agreement, dated April 20, 2021, entered into by the Governor and Child Care Providers United – California, in its sole capacity as the certified provider organization representing family child care providers, as defined in paragraph (1) of subdivision (b) of Section 8431 of the Education Code. This paragraph shall be limited to the terms specified in the agreement and shall not be interpreted to expand upon or change the agreement.

(2) The provisions of the agreement prepared pursuant to Section 8435.5 of the Education Code, as it read on February 3, 2021, and entered into by the Governor and Child Care Providers United - California, dated April 20, 2021, that require the expenditure of funds or legislative action to permit their implementation, are hereby approved by the Legislature for the purposes of subdivision (b) of Section 8435.5 of the Education Code, as it read on February 3, 2021.

(f) (1) Contracts or grants awarded pursuant to this section shall be exempt from the personal services contracting requirements of Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code. Contracts or grants awarded pursuant to this section shall be exempt from the Public Contract Code and the State Contracting Manual, and shall not be subject to the approval of the Department of General Services.

(2) 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 State Department of Social Services and the State Department of Education may implement, interpret, or make specific this section by means of all-county letters, bulletins, or similar written instructions from either department until regulations are adopted. These all-county letters or similar written instructions shall have the same force and effect as regulations.

(g) (1) Notwithstanding any other law, upon the request of the State Department of Education or the State Department of Social Services, the Department of Finance may authorize the transfer of expenditure authority between the allocations set forth in this section.

(2) The aggregate amount of allocation increases provided under this subdivision shall not exceed the aggregate amount of allocation decreases.

(h) For purposes of this section, "state" means the State Department of Education, the State Department of Social Services, and the Department of Finance, unless otherwise specified.

SEC. 264. (a) (1) Three million one-hundred sixty thousand dollars (\$3,160,000) in one-time funding shall be allocated from the funds described in subdivision (d) of Provision 5 of Item 6100-149-0890 of the Budget Act of 2021 (Ch. 21, Stats. 2021), as amended by Senate Bill 129 of the 2021–22 Regular Session, to increase licensed family daycare home capacity, as described in this subdivision. The State Department of Social Services shall issue a one-time incentive payment in the amount of five hundred dollars (\$500) to a previously unlicensed individual who obtains a family daycare home license on or after June 28, 2021, and maintains an active license for 12 consecutive months. These incentive payments shall be provided to the extent that appropriated funds are available or until June 30, 2023, whichever comes first.

(2) The State Department of Social Services may designate another agency or agencies to distribute these funds to licensed family daycare homes. Contracts or grants awarded pursuant to this subdivision shall be exempt from the personal services contracting requirements of Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code. Contracts or grants awarded pursuant to this subdivision shall be exempt from the Public Contract Code and the State Contracting Manual, and shall not be subject to the approval of the Department of General Services.

(3) For purposes of this subdivision, a "family daycare home" has the same meaning as in subdivision (a) of Section 1596.78 of the Health and Safety Code.

(b) (1) Forty million dollars (\$40,000,000) in one-time funding shall be allocated from the funds described in subdivision (d) of Provision 5 of Item 6100-149-0890 of the Budget Act of 2021 (Ch. 21, Stats. 2021), as amended by Senate Bill 129 of the 2021–22 Regular Session, to establish the Joint Child Care Providers United-State of California Training Partnership Fund, the purpose of which is to expand and strengthen training opportunities for family childcare providers and address the workforce needs of the State of California, as well as the career, knowledge, and skill aspirations of all family childcare providers.

(2) The training supported by the fund shall include, but not be limited to, training relating to the following:

(A) The cognitive, social, emotional, and physical development of children and approaches to learning.

(B) Trauma-informed practices and care.

(C) Family engagement.

(D) Dual language learners.

(E) Racial and cultural diversity.

(F) Apprenticeships, pre-apprenticeships, and on-the-job learning programs.

(G) Additional topics, including small business operations, learning approaches for special needs children, evidence-based curricula, design and layout of child care spaces, self-care, and development of family childcare providers as mentors.

(3) The fund may also be used to fund training and professional development expenses; computers, books, and other equipment to facilitate learning; coaching, mentors, and other staff; fund set-up and implementation; and monetary incentives for completing training, education, and other degree requirements.

(4) The funding described in this subdivision shall be subject to federal usage limitations and federal and state program eligibility requirements. Funds allocated for the purposes described in this subdivision are subject to appropriation in the Budget Act and shall be liquidated by September 30, 2022.

(c) (1) Commencing January 1, 2022, two hundred eighty-nine million dollars (\$289,000,000) in one-time funding shall be made available to support family childcare providers, as defined in paragraph (1) of subdivision (b) of Section 10421 of the Welfare and Institutions Code, through reimbursement rate supplements to be allocated over a twenty-four month period. Of the two hundred eighty-nine million dollars (\$289,000,000), eighty-nine million dollars (\$89,000,000) is allocated from the funds described in subdivision (d) of Provision 5 of Item 6100-149-0890 of the Budget Act of 2021 (Ch. 21, Stats. 2021), as amended by Senate Bill 129 of the 2021–22 Regular Session, and two hundred million dollars (\$200,000,000) is hereby appropriated from the General Fund to the State Department of Social Services. Reimbursement rate supplements shall be tied to the uses and methodology described in paragraphs (2) and (3).

(2) Child Care Providers United – California shall have discretion to determine how the funding described in paragraph (1) may be used to supplement reimbursement rates, which may include, but not be limited to, monthly rate supplements for family

childcare providers or lump-sum bonuses, subject to review and approval by the state to ensure feasibility of implementation.

(3) Notwithstanding Sections 10228, 10280, and 10374.5 of the Welfare and Institutions Code, the reimbursement rate supplements shall be implemented using a methodology developed by Child Care Providers United – California, in its sole capacity as the certified provider organization representing family childcare providers, subject to technical assistance, review, and approval by the State Department of Social Services. The reimbursement rate supplements shall be implemented January 1, 2022, through December 31, 2023.

(4) The state and Child Care Providers United – California may establish a Joint Labor Management Committee to facilitate agreement on the uses of funding determined pursuant to paragraph (2) and the methodology developed pursuant to paragraph (3).

(d) (1) The Legislature hereby approves the agreement, dated June 25, 2021, entered into by the Governor and Child Care Providers United – California, in its sole capacity as the certified provider organization representing family childcare providers, as defined in Section 10421 of the Welfare and Institutions Code. This paragraph shall be limited to the terms specified in the agreement and shall not be interpreted to expand upon or change the agreement.

(2) The provisions of the agreement prepared pursuant to Section 10426 of the Welfare and Institutions Code and entered into by the Governor and Child Care Providers United—California, dated June 25, 2021, that require the expenditure of funds or legislative action to permit their implementation, are hereby approved by the Legislature for the purposes of subdivision (b) of Section 10426 of the Welfare and Institutions Code.

(e) 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 State Department of Social Services and the State Department of Education may implement, interpret, or make specific this section by means of all-county letters, bulletins, or similar written instructions from either department. These all-county letters or similar written instructions shall have the same force and effect as regulations.

SEC. 265. (a) The sum of seven hundred thirty-nine million twenty-five thousand dollars (\$739,025,000) in federal funds is hereby appropriated to the State Department of Education for the 2021–22 fiscal year. Upon order of the Department of Finance, these funds shall be transferred to the State Department of Social Services for the purpose of expanding childcare access by funding additional slots under the alternative payment program (Chapter 3 (commencing with Section 10225) of Part 1.8 of Division 9 of the Welfare and Institutions Code) and the general childcare and development program (Chapter 7 (commencing with Section 10240) of Part 1.8 of Division 9 of the Welfare and Institutions Code). Of the funds transferred, four hundred three million dollars (\$403,000,000) shall be allocated for slots in the 2021–22 fiscal year and three hundred thirty-six million twenty-five thousand dollars (\$336,025,000) shall be allocated for slots in the 2022–23 fiscal year.

(b) The sum of twenty-nine million seventy-eight thousand dollars (\$29,078,000) is hereby appropriated from the General Fund to the State Department of Social Services to provide childcare provider cost of living adjustment increases pursuant to Section 42238.15 of the Education Code in the 2021–22 fiscal year.

(c) Notwithstanding any other law, commencing January 1, 2022, eight hundred forty million three hundred thirty thousand dollars (\$840,330,000) shall be allocated from the funds described in subdivision (d) of Provision 5 of Item 6100-149-0890 of the Budget Act of 2021 (Ch. 21, Stats. 2021), as amended by Senate Bill 129 of the 2021–22 Regular Session, to support childcare provider rate increases, as defined in subdivision (c) of Section 10280 of the Welfare and Institutions Code and in subdivisions (b) and (c) of Section 10374.5 of the Welfare and Institutions Code. Of the eight hundred forty million three hundred thirty thousand dollars (\$840,330,000), two hundred seventy-five million five hundred eighty thousand dollars (\$275,580,000) shall be available in the 2021–22 fiscal year, four hundred fifty million dollars (\$450,000,000) shall be available in the 2022–23 fiscal year, and one hundred fourteen million seven hundred fifty thousand dollars (\$114,750,000) shall be available in the 2023–24 fiscal year.

(d) Notwithstanding any other law, commencing January 1, 2022, three hundred sixty-seven million two hundred seventy-five thousand dollars (\$367,275,000) shall be allocated from the funds described in subdivision (d) of Provision 5 of Item 6100-149-0890 of the Budget Act of 2021 (Ch. 21, Stats. 2021), as amended by Senate Bill 129 of the 2021–22 Regular Session, to support preschool rate increases, as provided for in subdivision (c) of Section 8242 of the Education Code. Of the three hundred sixty-seven million two hundred seventy-five thousand dollars (\$367,275,000), one hundred three million one hundred sixty thousand dollars (\$103,160,000) shall be available in the 2021–22 fiscal year, two hundred ten million four hundred fifty thousand dollars (\$210,450,000) shall be available in the 2022–23 fiscal year, and fifty-three million six hundred sixty-five thousand dollars (\$53,665,000) shall be available in the 2023–24 fiscal year.

(e) (1) Commencing January 1, 2022, one hundred eighty-eight million seven hundred sixty thousand dollars (\$188,760,000) in one-time funding shall be made available to address inequities between the standard reimbursement rate and the regional market rate ceiling for center-based childcare providers in the general childcare, migrant, and California state preschool programs, by

providing reimbursement rate supplements, which shall be allocated over a twenty-four month period. Of the one hundred eighty-eight million seven hundred sixty thousand dollars (\$188,760,000):

(A) Forty-five million dollars (\$45,000,000) shall be allocated from the funds described in subdivision (d) of Provision 5 of Item 6100-149-0890 of the Budget Act of 2021 (Ch. 21, Stats. 2021), as amended by Senate Bill 129 of the 2021–22 Regular Session, for transfer to the State Department of Social Services, and twenty million dollars (\$20,000,000) is hereby appropriated from the General Fund to the State Department of Social Services for the reimbursement rate supplements described in this paragraph and paragraph (2).

(B) Thirty one million one hundred ninety thousand dollars (\$31,190,000) is allocated from the funds described in subdivision (d) of Provision 5 of Item 6100-149-0890 of the Budget Act of 2021 (Ch. 21, Stats. 2021), as amended by Senate Bill 129 of the 2021–22 Regular Session, to the State Department of Education and sixteen million eight hundred ten thousand dollars (\$16,810,000) is hereby appropriated from the General Fund to the State Department of Education for the reimbursement rate supplements described in this paragraph and paragraph (2).

(C) Fifty seven million five hundred seventy-six thousand dollars (\$57,566,000) is allocated from the funds described in Provision 9 of Item 6100-196-0001 of the Budget Act of 2021 (Ch. 21, Stats. 2021), as amended by Senate Bill 129 of the 2021–22 Regular Session, to the State Department of Education, and eighteen million one hundred ninety-four thousand dollars (\$18,194,000) is allocated from the funds described in subdivision (d) of Provision 5 of Item 6100-149-0890 of the Budget Act of 2021 (Ch. 21, Stats. 2021), as amended by Senate Bill 129 of the 2021–22 Regular Session, to the State Department of Education for the reimbursement rate supplements described in this paragraph and paragraph (2).

(2) In order to determine the rate distribution methodology, the State Department of Social Services and State Department of Education, in consultation with the Legislature, shall determine how the funding described in paragraph (1) will be used to supplement reimbursement rates, which may include, but not be limited to, monthly rate supplements or lump-sum bonuses, subject to review and approval by the Department of Finance, to ensure feasibility of implementation. In determining how they use the funding described in this subdivision, the departments shall ensure a fair and equitable distribution based on the funding allocated to the departments for these purposes. The Department of Finance shall notify the Joint Legislative Budget Committee of the determined use of this funding.

(3) In accordance with federal requirements for Child Care Stabilization Grants appropriated pursuant to the federal American Rescue Plan Act of 2021 (Public Law 117-2), contractors shall provide information via a one-time application or survey in advance of receiving American Rescue Plan Act funds. The State Department of Social Services or the State Department of Education, as applicable, shall specify the timeline and format in which this information shall be submitted, and the information shall include, but not be limited to, all of the following:

(A) Address, including ZIP Code.

(B) Race and ethnicity.

(C) Gender.

(D) Whether the provider is open and available to provide childcare services or closed due to the COVID-19 public health emergency.

(E) What types of federal relief funds have been received from the state.

(F) Use of federal relief funds received.

(G) Documentation that the provider met certifications as required by federal law.

(4) Rate increases shall be subject to federal usage limitations and federal and state program eligibility requirements.

SEC. 266. 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.