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**AB-210 Early childhood: childcare and education.** (2021-2022)

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Date Published: 07/01/2022 02:00 PM

**Assembly Bill No. 210**

**CHAPTER 62**

An act to amend Sections 8203.3, 8205, 8208, 8210, 8211, 8213, 8241.5, 8244, 8252, 8335, 8337, 44300, and 48000 of, to add Section 8245.5 to, and to add Article 13.1 (commencing with Section 8320) and Article 24 (commencing with Section 8490) to Chapter 2 of Part 6 of Division 1 of Title 1 of, the Education Code, and to amend Sections 10206, 10208, 10213.5, 10223, 10271.5, 10281.5, 10290, and 10441 of, to amend and repeal Section 10233.5 of, and to add Section 10276 to, the Welfare and Institutions Code, relating to early childhood, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[ Approved by Governor June 30, 2022. Filed with Secretary of State June 30, 2022. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 210, Committee on Budget. Early childhood: childcare and education.

(1) Existing law, the Early Education Act, among other things, has a purpose of supporting the cognitive and social-emotional development of all children, including children with exceptional needs. The act defines children with exceptional needs as, among other things, children who require the special attention of adults while in a childcare setting. Existing law requires the Superintendent of Public Instruction to provide an inclusive and cost-effective preschool program, known as the California State Preschool Program. Existing law provides that a family shall be considered to meet all eligibility and need requirements for these services for not less than 12 months, shall receive those services for not less than 12 months, and shall not be required to report changes for at least 12 months, as provided. Existing law requires each state preschool program applicant or contracting agency to give priority for part-day and full-day programs according to a specified priority ranking. Existing law establishes adjustment factors to reflect the additional expense of serving full-day preschool children, including children with exceptional needs, children with severe disabilities, and dual language learner children, as provided.

This bill would revise and recast provisions of the act to, among other things, remove from the definition of "children with exceptional needs," children who require the special attention of adults while in a childcare setting. The bill would additionally expand eligibility to the program to include those families where a child has exceptional needs, as provided. The bill would provide that a family shall be considered to meet all eligibility and need requirements for these services for not less than 24 months, shall receive those services for not less than 24 months, and shall not be required to report changes for at least 24 months, as provided. This bill would revise and reorder the priority ranking for part-day and full-day preschool programs and establish a new 2nd priority for all 3- and 4-year-old children with exceptional needs from families with incomes below the income eligible threshold, as provided. The bill would increase specified adjustment factors for purposes of reflecting the additional expense of serving specified full-day preschool children, as provided. The bill would prohibit family fees from being collected for the 2022–23 fiscal year.

The act requires the Superintendent to develop procedures for state preschool contractors to identify and report data on dual language learners enrolled in a California state preschool program.

This bill would require, for any child enrolled in a state preschool program who has been identified as a dual language learner, a family language and interest interview to be conducted by the child's teacher or other designated staff, as provided.

The act requires the State Department of Education, in collaboration with the State Department of Social Services, to implement a reimbursement system that establishes reasonable standards and assigned reimbursement rates, as provided.

The bill would require, for the 2022–23 fiscal year only, the contracting agency operating a California state preschool program to be reimbursed 100% of the contract maximum reimbursable amount or net reimbursable program contracts, whichever is less, as provided.

Existing law requires organizations that contract with the department to provide preschool services or other support services, as specified, to annually undergo a single independent financial and compliance audit, unless the contractor receives less than \$25,000 from a state agency, in which case, an audit is to be conducted biennially.

This bill would increase that threshold by \$75,000.

(2) Existing law establishes the Inclusive Early Education Expansion Program for the purpose of increasing access to inclusive early care and education programs. Existing law requires the department to convene a stakeholder workgroup, until June 30, 2023, relating to the program.

This bill would appropriate \$250,000,000 from the General Fund to the Superintendent for allocation to local educational agencies for purposes of the program. The bill would authorize the Superintendent to allocate up to \$50,000,000 of the \$500,000,000 to address state-level systems building and align local practice with the research and practice-based strategies that best promote pupil outcomes and program quality. The bill would require the workgroup to be maintained until June 30, 2027.

(3) Existing law requires the Commission on Teacher Credentialing to, among other duties, establish standards for the issuance and renewal of credentials, certificates, and permits. Existing law authorizes the commission to issue or renew emergency teaching and specialist permits if certain conditions are met, including that the applicant passes the state basic skills proficiency test.

The commission may issue and renew a one-year emergency specialist teaching permit in early childhood education that authorizes teaching all subjects in a self-contained transitional kindergarten general education classroom if certain conditions are met, including that the applicant satisfies the subject matter requirement and the commission approves the justification for the emergency permit, as specified.

(4) Existing law establishes the California Prekindergarten Planning and Implementation Grant Program as a state early learning initiative with the goal of expanding access to classroom-based prekindergarten programs at local educational agencies, as defined, and requires the Superintendent to allocate grant funding to local educational agencies as base grants, enrollment grants, and supplemental grants for specified purposes.

This bill would, subject to an appropriation in the annual Budget Act, establish the California Universal Preschool Planning Grant Program with the goal of expanding access universally to preschool programs for 3- and 4-year-old children across the state through a mixed-delivery system, as defined, and would require the Superintendent to develop and administer a grant process and award grant funds to each county, as specified. The bill would provide local planning councils and resource and referral agencies with first and 2nd priority, respectfully, for grant awards, and would require the Superintendent to provide a report to the Department of Finance and the appropriate policy and fiscal committees of the Legislature on or before October 1, 2026, on the expenditure of funds and relevant outcome data in order to evaluate the impact of the grants awarded under the program.

(5) The Early Education Act has a further purpose of supporting children experiencing developmental delays.

This bill would make available \$2,000,000 of specified funds appropriated in the Budget Act of 2022 to the State Department of Education to develop a process and tools, to be used in all state preschool programs and available and appropriate for use in transitional kindergarten, and kindergarten programs, for early identification of children at risk for developmental delays or learning disabilities, as provided, and would make that funding available for encumbrance until June 30, 2024. The bill would require the department, on or before October 5, 2023, to submit a report to the Joint Legislative Budget Committee, appropriate policy committees of the Legislature, and the Department of Finance to identify, among other things, the process and tools developed. By extending the period of time in which previously appropriated funds are available for encumbrance, the bill would make an appropriation.

(6) Existing law provides for various programs, responsibilities, services, and systems relating to childcare and childhood development that are administered by the State Department of Social Services. Existing law requires any regulations developed

by the State Department of Social Services and the State Department of Education to implement various provisions relating to early childhood development to be adopted by each department no later than December 31, 2023.

This bill would extend the deadline for each department to adopt regulations to December 31, 2025.

(7) Existing law, the Child Care and Development Services Act, administered by the State Department of Social Services, establishes a system of childcare and development services for children up to 13 years of age, 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. Existing law requires the department to develop standards for the implementation of quality programs and specifies indicators of quality, including, among others, program activities and services that meet the cultural and linguistic needs of children and families and staff that possess the appropriate and required qualifications or experience, or both. Existing law provides various definitions for purposes of the act, including a definition of "limited-English-speaking-proficient and non-English-speaking-proficient children."

This bill would require that the above-described program activities include program activities that meet the needs of dual language learners, as defined. The bill would also require staff to possess the appropriate and required training, or any combination of qualifications, experience, or training. The bill would repeal the definition of "limited-English-speaking-proficient and non-English-speaking-proficient children."

(8) Under existing law, for purposes of establishing initial income eligibility for services under the act, "income eligible" means that a family's adjusted monthly income is at or below 85% of the state median income, adjusted for family size. Existing law, for purposes of determining eligibility for childcare under the act, excludes income from federal supplemental security income benefits and state supplemental program benefits.

Existing law establishes, subject to an appropriation by the Legislature, the California Guaranteed Income Pilot Program, to provide grants to eligible entities for the purpose of administering pilot programs and projects that provide a guaranteed income to designated recipients.

This bill would additionally exclude specified foster care payments made on behalf of a child, and guaranteed payments from income for purposes of determining eligibility for childcare under the act. The bill would define "guaranteed payment" to include, but not be limited to, payments received pursuant to the California Guaranteed Income Pilot Program.

(9) Existing law requires an alternative payment program to provide notice to a childcare provider of a change in reimbursement amounts for childcare 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. Existing law requires the notice to be delivered, as well as the effective date of any change, on the same day a notice of action is issued to a family.

This bill would make those notice requirements applicable to all child care and development programs funded pursuant to the federal Child Care and Development Fund, on September 1, 2022. The bill would require a child care and development program to give a provider the notice and the effective date of any change no later than the day the program becomes aware that the change will occur. The bill would authorize the department to implement and administer these provisions by all-county letter or similar directive until regulations are adopted, and would require the department to adopt emergency regulations by July 1, 2026.

(10) Existing law requires the department to contract with local contracting agencies for alternative payment programs for childcare services to be provided throughout the state. Existing law authorizes a contractor to retain a reserve fund balance for alternative payment model and certificate childcare contracts, as provided. Existing law prohibits these funds from exceeding either 2% of the sum of the parts of each contract, as provided, or \$1,000, whichever is greater.

This bill would instead prohibit the funds from exceeding either 8% of the sum of the parts of each contract, as provided, or \$1,000, whichever is greater.

(11) Existing law requires the department, in consultation with the State Department of Education, to establish a fee schedule for families using preschool and child care and development services pursuant to those provisions and requires families who utilize those services to be assessed a family fee that is based on income, certified family need for full-time or part-time care services, and enrollment. Existing law also prohibits those family fees from being collected in the 2021–22 fiscal year.

This bill would extend the prohibition on the collection of those family fees to the 2022–23 fiscal year and would authorize a reimbursement to contractors for family fees not received during that fiscal year.

(12) Existing law establishes the California Child Care Initiative Project to expand the role and functions of resource and referral agencies to aid communities in increasing their capability in the number of childcare spaces available and the quality of childcare services offered. Existing law requires that the project ensure that each \$1 of state funds allocated for the purpose of making

grants to specified childcare resource and referral agencies is matched by \$2 from other sources, such as private corporations or local governments.

This bill would delete the above-described matching-funds requirement and would authorize the department to issue grants of state funds only or state funds in combination with other funds. The bill would also authorize the department to implement this change by all-county letter or similar directive until regulations are adopted. The bill would require the department to adopt regulations implementing these changes no later than July 1, 2025.

(13) Existing law allocates \$70,000,000 in previously appropriated federal funds to provide reimbursement for childcare providers based on families' certified need, through June 30, 2022, to alternative payment programs and to state-subsidized childcare providers that serve children through an alternative payment program. Existing law also allocates \$6,000,000 in previously appropriated state funding to provide reimbursement for childcare providers based on families' certified need, through June 30, 2022, to counties and alternative payment programs, and to state-subsidized childcare providers that serve children through the Emergency Child Care Bridge Program for Foster Children.

This bill would extend those reimbursements for childcare based on families' certified need through June 30, 2023, and would allocate \$107,636,000 in federal funds and \$6,000,000 in state funds, as specified, for that purpose.

(14) 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

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

**SECTION 1.** 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 three-, 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. 2.** Section 8205 of the Education Code is amended 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 in accordance with Section 8242.

(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 and shall be receiving early intervention services.

(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 and shall be receiving early intervention services or appropriate special education.

(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.

(ae) "Funded enrollment" means the number of subsidized children funded to be enrolled, based on the maximum reimbursable amount, contract rate, inclusive of any adjustment factors, and approved program calendar, by a California state preschool

program contractor.

**SEC. 3.** Section 8208 of the Education Code is amended 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.

(E) (i) One that has children with exceptional needs, as defined in Section 8205.

(ii) Only the children in the family who are children with exceptional needs may be enrolled under the eligibility criteria of this subparagraph. Any other child in the family without exceptional needs may be enrolled pursuant to any of the criteria established in subparagraphs (A) to (D), inclusive.

(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 and for the following program year, as long as applicable age-eligibility requirements are met, as specified in Sections 8205 and 48000.

(c) (1) (A) Commencing July 1, 2022, until June 30, 2023, inclusive, at least 5 percent of a part-day California state preschool program contracting agency's funded enrollment shall be reserved for children with exceptional needs, as defined in Section 8205.

(B) Commencing July 1, 2023, to June 30, 2024, inclusive, at least 7.5 percent of a part-day California state preschool program contracting agency's funded enrollment shall be reserved for children with exceptional needs, as defined in Section 8205.

(C) Commencing July 1, 2024, at least 10 percent of a part-day California state preschool program contracting agency's funded enrollment shall be reserved for children with exceptional needs, as defined in Section 8205, and serve those children.

(2) (A) The department shall review data on compliance and provide technical assistance to California state preschool program contracting agencies to assist them in meeting the requirement described in paragraph (1).

(B) Agencies shall be fully funded for the percentage of enrollment specified in paragraph (1), inclusive of the exceptional needs adjustment factor for that enrollment pursuant to Section 8244, to ensure funding is available to enroll children with exceptional needs within the set aside specified in paragraph (1) at any point during the fiscal year. An agency not meeting the requirement to fill the percent of funded enrollment specified in paragraph (1) with children with exceptional needs shall conduct community outreach to special education partners to recruit additional children with exceptional needs into their programs.

(C) (i) On and after July 1, 2026, any agency not meeting the requirement described in paragraph (1) may be put on a conditional contract as described in Section 8314 unless they have applied and been approved for a waiver pursuant to

clause (ii).

(ii) The Superintendent shall create an ongoing waiver process for an agency not able to meet the requirement described in paragraph (1).

(3) Children with exceptional needs attending California state preschool programs shall be educated in the least restrictive environment in accordance with Section 1412(a)(5)(A) of Title 20 of the United States Code.

(4) (A) 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 this subdivision, the department shall implement this subdivision through management bulletins or similar letters of instruction on or before December 31, 2022.

(B) The department shall initiate a rulemaking action to implement this subdivision on or before December 31, 2023.

(d) (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.

(v) (I) One that has children with exceptional needs, as defined in Section 8205.

(II) Only the children in the family who are children with exceptional needs may be enrolled under the eligibility criteria of this clause. Any other child in the family without exceptional needs may be enrolled pursuant to any of the criteria established in clauses (i) to (iv), inclusive.

(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) (A) Commencing July 1, 2022, until June 30, 2023, inclusive, at least 5 percent of a part-day California state preschool program contracting agency's funded enrollment shall be reserved for children with exceptional needs, as defined in Section 8205.

(B) Commencing July 1, 2023, to June 30, 2024, inclusive, at least 7.5 percent of a part-day California state preschool program contracting agency's funded enrollment shall be reserved for children with exceptional needs, as defined in Section 8205.



(C) Commencing July 1, 2024, at least 10 percent of a full-day California state preschool program contracting agency's funded enrollment shall be reserved for children with exceptional needs, as defined in Section 8205.

(D) (i) The department shall review data on compliance and provide technical assistance to California state preschool program contracting agencies to assist them in meeting the requirement described in subparagraphs (A) to (C), inclusive.

(ii) Agencies shall be fully funded for the percentage of enrollment specified in subparagraph (A), inclusive of the exceptional needs adjustment factor for that enrollment pursuant to Section 8244, to ensure funding is available to enroll children with exceptional needs within the set aside specified in subparagraphs (A) to (C), inclusive, at any point during the fiscal year. An agency not meeting the requirement to fill the percent of funded enrollment specified in subparagraphs (A) to (C), inclusive, with children with exceptional needs shall conduct community outreach to special education partners to recruit additional children with exceptional needs into their programs.

(iii) (I) On and after July 1, 2026, any agency not meeting the requirement described in subparagraph (A) may be put on a conditional contract as described in Section 8314 unless they have applied and been approved for a waiver pursuant to subclause (II).

(II) The Superintendent shall create an ongoing waiver process for agencies not able to meet the requirement described in subparagraphs (A) to (C), inclusive.

(E) Children with exceptional needs attending California state preschool programs shall be educated in the least restrictive environment in accordance with Section 1412(a)(5)(A) of Title 20 of the United States Code.

(F) (i) 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 this paragraph, the department shall implement this paragraph through management bulletins or similar letters of instruction on or before December 31, 2022.

(ii) The department shall initiate a rulemaking action to implement this paragraph on or before December 31, 2023.

(3) 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).

(4) 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.

(e) (1) With the exception of the age requirements and paragraphs (3) and (4), 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 24 months, shall receive those services for not less than 24 months before having their eligibility or need recertified, and shall not be required to report changes to income or other changes for at least 24 months.

(2) In the event that the eligibility period as described in paragraph (1) ends before the end of a program year, eligibility shall be extended until the end of the program year, as long as applicable age-eligibility requirements are met, as specified in Sections 8205.

(3) 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.

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

(f) (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.

(g) (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 (e), the department shall implement subdivision (e) through management bulletins or similar letters of instruction on or before December 31, 2022.

(2) The department shall initiate a rulemaking action to implement subdivision (e) on or before December 31, 2023.

(h) 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. 4.** Section 8210 of the Education Code is amended 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) (i) Until June 30, 2024, the second priority for services shall be given to all three- and four-year-old children with exceptional needs from families with incomes below the income eligibility threshold, as described in Section 8213.

(ii) Commencing July 1, 2024, to the extent that there are additional three- and four-year-old children with exceptional needs interested in enrolling beyond those already enrolled in the 10 percent of funded enrollment set aside pursuant to Section 8208, the second priority for services shall be given to all three- and four-year-old children with exceptional needs from families with incomes below the income eligibility threshold, as described in Section 8213.

(B) Within this priority category, children with exceptional needs from families 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.

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

(B) (i) 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.

(ii) 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.

(iii) 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.

(4) The fourth 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 (3).

(5) The fifth 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 three- and four-year-old children with exceptional needs interested in enrolling beyond those already enrolled in the 10 percent of funded enrollment set aside pursuant to Section 8208, then to four-year-old children before three-year-old children without exceptional needs.

(6) After all otherwise eligible children have been enrolled in the first through fifth priority categories, as described in paragraphs (1) to (5), inclusive, the contractor may enroll the children in the following order:

(A) 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) Children enrolling in the California state preschool program to provide expanded learning and care to transitional kindergarten or kindergarten pupils, pursuant to subdivision (l) of Section 48000.

(b) 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.

(c) (1) Children with exceptional needs enrolled in the percent of funded enrollment set aside pursuant to Section 8208 shall be enrolled without regard to the priorities listed in subdivision (a).

(2) Within this 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.

(3) If two or more families have the same income ranking according to the most recent schedule of income ceiling eligibility table, the child that has been on the waiting list for the longest time shall be admitted first.

**SEC. 5.** Section 8211 of the Education Code is amended 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) To the extent that there are additional three- and four-year-old children with exceptional needs interested in enrolling beyond those already enrolled in the percent of funded enrollment set aside pursuant to paragraph (1) of subdivision (c) of Section 8208, the second priority for services shall be given to all three- and four-year-old children with exceptional needs from families with incomes below the income eligibility threshold, described in Section 8213.

(B) Within this priority category, children with exceptional needs from families 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.

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

(B) (i) 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.

(ii) 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.

(iii) 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.

(4) The fourth 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 (3).

(5) The fifth priority, after all otherwise eligible children have been enrolled, shall be children from families whose income is no more than 15 percent above the income eligibility threshold, as described in Section 8213. Within this priority category, priority shall be given to three- and four-year-old children with an individualized family service plan or individualized education program, then four-year-old children before three-year-old children without an individualized family service plan or individualized education program.

(6) After all otherwise eligible children have been enrolled in the first through fifth priority categories, as described in paragraphs (1) to (5), 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 (3) of subdivision (d) 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 three- and 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 (3) of subdivision (d) of Section 8208. These families shall, to the extent possible, be enrolled in income ranking order, lowest to highest.

(b) 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.

(c) (1) Children with exceptional needs enrolled in the percent of funded enrollment set aside pursuant to paragraph (1) of subdivision (c) of Section 8208 shall be enrolled without regard to the priorities listed in subdivision (a).

(2) Within this 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.

(3) If two or more families have the same income ranking according to the most recent schedule of income ceiling eligibility table, the child that has been on the waiting list for the longest time shall be admitted first.

**SEC. 6.** Section 8213 of the Education Code is amended 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 100 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 100 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.

(e) Payments made on behalf of a child pursuant to Section 11460, 11461.3, 11461.36, or 11461.4 of the Welfare and Institutions Code shall not be included as income for purposes of determining eligibility for preschool pursuant to Section 8208.

(f) Notwithstanding any other law, guaranteed income payments received by an individual shall not be included as income for purposes of determining eligibility for preschool pursuant to Section 8208. For purposes of this subdivision, "guaranteed income payments" mean unconditional, recurring, regular cash payments, whether publicly or privately funded, that are intended to support the basic needs of eligible recipients, including, but not limited to, payments provided through pilot programs and projects receiving funding from the California Guaranteed Income Pilot Program (Chapter 16 (commencing with Section 18997) of Part 6 of Division 9 of the Welfare and Institutions Code).

**SEC. 7.** Section 8241.5 of the Education Code is amended to read:

**8241.5.** (a) It is the intent of the Legislature for the state preschool contractors, teachers, and staff to better understand the language and developmental needs of dual language learners enrolled in publicly funded preschool programs by identifying them through a family language instrument and a family language and interest interview. The identification of dual language learners will help improve program quality and inform the allocation and use of state and program resources to better support them and their linguistic and developmental needs for success in school and in life.

(b) The Superintendent shall develop procedures for state preschool contractors to identify and report data on dual language learners enrolled in a preschool program administered pursuant to Article 2 (commencing with Section 8207).

(c) The procedures developed by the Superintendent pursuant to this section to identify dual language learners shall, at a minimum, include all of the following:

(1) (A) The distribution and collection of a completed family language instrument developed by the Superintendent from a parent or guardian of each child enrolled in a preschool program upon enrollment. The family language instrument shall, at a minimum, be able to identify which languages the child is exposed to in the child's home and community environment, which languages the child understands, and which languages the child is able to speak.

(B) Notwithstanding subparagraph (A), a state preschool contractor serving a schoolage child enrolled in a K–12 education program who has been designated by the child's school district, county office of education, or charter school as an English learner through the state assessment for English language proficiency may use that designation as an English learner to identify the child as a dual language learner.

(2) Criteria for state preschool contractors to use to accurately identify dual language learners enrolled in their preschool programs based on the information collected from the family language instrument and family language and interest interview.

(d) For any child enrolled in a preschool program who has been identified as a dual language learner pursuant to subdivision (c), a family language and interest interview shall be conducted by the child's teacher or other designated staff that shall include, at a minimum, an inquiry and a discussion about the strengths and interests of the child, the language background of the child, and the needs of parents, guardians, or family members of the child to support the language and development of the child. The Superintendent shall develop the family language and interest interview to be used by teachers and designated staff for purposes of this subdivision.

(e) The reported data about dual language learners and a preschool program shall include, at a minimum, all of the following:

(1) A child's home language, the language the child uses most, and the family's preferred language in which to receive verbal and written communication.

(2) A child's race or ethnicity.

(3) Language characteristics of the preschool program, including, but not limited to, whether the program uses the home language for instruction, such as a dual language immersion program, or another program that supports the development of home languages.

(4) The language composition of the program staff.

(f) To the maximum extent possible, the Superintendent shall use existing enrollment and reporting procedures for state preschool contractors to meet the requirements of this section.

(g) (1) To ensure dual language learners and their linguistic and developmental needs are accurately identified in order to be effectively supported by state preschool contractors, the Superintendent shall develop clear implementation procedures and related guidance for state preschool contractors.

(2) The Superintendent shall adopt regulations to implement this section. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, on or before August 15, 2022, the Superintendent shall develop informal directives and bulletins to implement this section until the time regulations are adopted.

(h) It is the intent of the Legislature to connect information about dual language learners in the California Cradle-to-Career Data System.

(i) The procedures developed by the Superintendent to identify dual language learners pursuant to subdivisions (b) and (c) shall not be connected to or associated with the designation of an English learner in the K–12 public school system.

(j) The procedures to identify and report dual language learners pursuant to this section shall be the sole responsibility of the state preschool contractor. Family childcare providers shall not be responsible nor liable for the accuracy of data. The identification and reporting of dual language learners by state preschool contractors shall not impact the status of a provider within a family childcare home education network.

**SEC. 8.** Section 8244 of the Education Code is amended 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, including children with severe disabilities, the adjustment factor shall be 2.40.

(2) For children at risk of neglect, abuse, or exploitation, the adjustment factor shall be 1.1.

(3) For dual language learner children, the adjustment factor shall be 1.2.

(4) When early childhood mental health consultation services are provided, pursuant to Section 8243, the adjustment factor shall be 1.1.

(5) For children 47 months or younger, the adjustment factor shall be 1.8.

(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), (4), 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 (3), inclusive, and (5) 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 (3), inclusive, and (5) of subdivision (b), and who are additionally eligible for the adjustment factor established in paragraph (4) of subdivision (b), reported child days of enrollment shall be multiplied by the sum of the applicable adjustment factor under paragraphs (1) to (3), inclusive, and (5) of subdivision (b) and 0.1.

(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. 9.** Section 8245.5 is added to the Education Code, to read:

**8245.5.** (a) (1) Notwithstanding any other law, for the 2022–23 fiscal year only, contracting agencies operating a California state preschool program shall be reimbursed according to paragraph (2), if they meet either of the following requirements:

(A) The program is open and operating in accordance with their approved program calendar and remains open and offering services through the 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.

(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 California state preschool program that is physically closed as described in subparagraph (B) of paragraph (1) due to the COVID-19 pandemic, but funded to be operational, shall provide distance learning services, as specified by the Superintendent, for the program. A contractor specified in paragraph (1) shall submit a distance learning plan to the department overseeing their contract pursuant to guidance from the Superintendent.

(b) Notwithstanding any other law, reimbursement for full-day and part-day California state preschool family childcare home education network providers for the 2022–23 fiscal year shall be based on the maximum certified hours of care for all families, including families certified for a variable schedule, regardless of attendance.

**SEC. 10.** Section 8252 of the Education Code is amended 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.
- (h) (1) Notwithstanding any other law, family fees shall not be collected for the 2022–23 fiscal year.

(2) Contractors shall reimburse providers operating within a family childcare home education network for the full amount of the certificate or voucher without deducting family fees.

**SEC. 11.** Article 13.1 (commencing with Section 8320) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, to read:

**Article 13.1. California Universal Preschool Planning Grant Program**

**8320.** (a) The California Universal Preschool Planning Grant Program is hereby established with the goal of expanding access universally to preschool programs for three- and four-year-old children across the state through a mixed-delivery system.

(b) As used in this section, the following definitions shall apply:

(1) “Children with exceptional needs” has the same meaning as defined in Section 8205.

(2) “Mixed-delivery system” means a system of early childhood education services that is delivered through a variety of providers, programs, and settings, including Head Start agencies or delegate agencies funded under the Head Start Act (42 U.S.C. Sec. 9831, et seq.), public, private, or proprietary agencies, including community-based organizations, public schools, and local education agencies that offer center-based childcare and preschool programs, tribal childcare and preschool, and family childcare through a family child care home education network.

(3) “Three- and four-year-old children” has the same meaning as “three-year-old children” and “four-year-old children,” as those terms are defined in Section 8205.

(4) “Universal preschool” means those programs that offer part-day or full-day, or both, educational programs for three- and four-year-old children, and may be offered through a mixed-delivery system.

(c) (1) Pursuant to an appropriation in the annual Budget Act, for each of the 2022–23, 2023–24, and 2024–25 fiscal years, the Superintendent shall consult with the State Department of Social Services, and shall create an application to award grant funds to one designated lead agency within each county, as set forth in this section.

(2) (A) (i) A local planning council established pursuant to Article 2 (commencing with Section 10485) of Chapter 31 of Part 1.8 of Division 9 of the Welfare and Institutions Code shall have first priority for grant awards from their county’s allocation funds calculated for each county, as described paragraph (1) of subdivision (d).

(ii) A local planning council shall express interest through submitting a letter of intent to the department on a template developed by the Superintendent in consultation with the State Department of Social Services.

(iii) If a local planning council wishes to partner with other counties in their region pursuant to subdivision (j), the local planning council shall indicate this intent in their letter of intent.

(B) (i) In counties where the local planning council does not submit a letter of intent to receive an award, a 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 that operates in the county may submit a joint letter of intent with the local planning council to the Superintendent, on a template developed by the Superintendent in consultation with the State Department of Social Services, indicating interest in conducting the activities of this grant in their county.

(ii) The joint letter submitted pursuant to clause (i) shall designate a lead fiscal agency and describe the partnership the resource and referral agencies will use to meet the requirements of the grant.

(iii) If a resource and referral agency wishes to partner with other counties in their region pursuant to subdivision (j), the resource and referral agency shall indicate this intent in their letter of intent.

(C) Once letters of intent have been submitted, the Superintendent shall require the designated lead agency from each county to submit an application containing information, including, but not limited to, all of the following:

(i) A description of how it will allocate funds and achieve tasks described in subdivision (f).

(ii) A description of how the applicant will partner with the county office of education and other local educational agencies in the county on the work required pursuant to Section 8281.5, to ensure activities conducted under this grant meet community needs for universal preschool in a mixed-delivery system not already addressed.

(D) All grantees shall be required to coordinate with the county office of education on the work required pursuant to Section 8281.5. In counties where the county office of education operates the resource and referral agency or the local planning council, the staff responsible for those activities at the county office of education shall be included and supported to participate in the activities of this grant.

(d) The Superintendent shall develop and administer a grant process and award grant funds to each county that applies for funding for the 2022–23 fiscal year as long as the application is in conformance with the requirements of this section. Funds shall be allocated using a methodology for determining the amount of funds in each county that accounts for all of the following:

(1) (A) Base grant funding that reflects the number of three- and four-year-old children in the county or region.

(B) Add-on funding that reflects both of the following:

(i) The number of three- and four-year-old children in the county or region who are currently eligible for, but not enrolled in, subsidized preschool programs as part of the mixed-delivery system for universal preschool, as determined by the Superintendent.

(ii) The number of three- and four-year-old children with exceptional needs in the county or region.

(2) To the extent funds are available in the annual Budget Act for the 2023–24 and 2024–25 fiscal years, existing grantees shall be eligible to apply for a renewal grant subject to the terms and conditions developed by the Superintendent.

(e) Grant funds may be used for costs associated with any of the following:

(1) Assessing the parental preferences and the need for access to available high-quality universal preschool through a mixed-delivery system for three- and four-year-old children in the county or region by program type.

(2) Establishing or strengthening partnerships with other providers of early childhood education services and family child care home education networks within the county or region's mixed-delivery system and with tribal partners, to ensure that high-quality options for universal preschool, including inclusive preschool programs and multilingual programs, are available for three- and four-year-old children.

(3) Engaging in community-level coordination and planning with agencies participating in the county or region's mixed-delivery system for the implementation of high-quality universal preschool options.

(4) Coordinating with special education local and regional partners, including regional centers and local educational agencies, to ensure three- and four-year-old children with exceptional needs in the county or region have access to universal preschool through the mixed-delivery system in the least restrictive environment in accordance with Section 1412(a)(5)(A) of Title 20 of the United States Code.

(5) Partnering with the regional agency responsible for the system described in Section 8203.1 to fund and support workforce development, coaching, and other quality improvement activities to support the universal preschool mixed-delivery system.

(6) Other costs, as specified by the Superintendent.

(f) Entities receiving grants pursuant to this subdivision shall do all of the following:

(1) Plan for the provision of high-quality universal preschool options for three- and four-year-old children, through a mixed-delivery system that ensures access to high-quality full- and part-day learning experiences, coordinated services, and referrals for families to access health and social-emotional support services. Indicators of quality shall be determined by the Superintendent pursuant to Section 8203.

(2) Plan for increasing inclusion of children with exceptional needs in universal preschool.

(3) Assist existing and aspiring universal preschool site supervisors, teachers, and other support staff in identifying and accessing local workforce pathway programs, including financial support programs, to increase the number of site supervisors, teachers, and other support staff who have required credentials and degrees.

(4) Provide outreach services and enrollment support for families of three- or four-year-old children, to meet family needs and provide those children with high-quality full- and part-day learning experiences.



(5) Partner to plan for, align and coordinate the plans, and conduct the activities described in paragraphs (1) to (4), inclusive, with all local educational agencies in the county or region that received funding pursuant to the California Prekindergarten Planning and Implementation Grant Program (Article 13.2 (commencing with Section 8281.5)).

(6) Partner with tribes to reflect family and tribal community needs, as sovereign nations, in the planning and implementation of the universal preschool mixed-delivery system.

(7) Commit to providing program data to the department, as specified by the Superintendent, including, but not necessarily limited to, plan development steps and participants engaged in the grant activities and planning, core needs of critical communities, including tribal communities, and recipient information and participation in overall program evaluation.

(8) Develop a plan for consideration by the governing board or body of the county office of education at a public meeting on or before June 30, 2023, for how all four-year-old children and an increased number of at-promise three-year-old children in the county may access full-day learning programs before kindergarten that meet the needs of parents, including through partnerships with the universal preschool programs in the mixed-delivery system and expanded learning offerings.

(g) If the entity receiving the grant in a county is a local planning council, the local planning council shall collaborate with, and subgrant funds where appropriate to, local resource and referral agencies to implement the activities of this section.

(h) If the entity receiving the grant in a county is a resource and referral agency, the resource and referral agency shall collaborate with, and subgrant funds where appropriate to, the local planning council to implement the activities of this section.

(i) (A) Funds that are allocated or awarded pursuant to this section shall be expended by June 30, 2026. The department shall then initiate collection proceedings for unexpended funds.

(B) The department shall initiate collection proceedings for grant funds used by grantees in a manner inconsistent with the requirements of this section, including, but not limited to, failing to submit all required data pursuant to subdivision (f).

(j) Nothing in this section shall be construed as prohibiting counties from joining together to address regional needs with their funding and developing regional plans.

(k) The Superintendent shall provide a report to the Department of Finance and the appropriate policy and fiscal committees of the Legislature on or before October 1, 2026, on the expenditure of funds and relevant outcome data in order to evaluate the impact of the grants awarded under this section.

**SEC. 12.** Section 8335 of the Education Code is amended 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 one hundred thousand dollars (\$100,000) 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 in Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

**SEC. 13.** Section 8337 of the Education Code is amended 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 sum of two hundred fifty million dollars (\$250,000,000) 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, 2027.

(e) The department's divisions for special education and early education programs shall work collaboratively to administer the program, including developing criteria for the selection of grantees.

(f) 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 and other factors as determined by the Superintendent. 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) (A) 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.

(B) A school district shall provide 33 percent of the cost of the project. This subparagraph shall not apply to a school district that self-certifies that it meets the requirements for financial hardship pursuant to Section 17075.10.

(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.

(g) 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.

(h) 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.

(i) 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.

(j) 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.

(k) 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.

(l) 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, 2027, 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 in this workgroup, when appropriate, to share challenges, barriers, and best practices.

(m) Notwithstanding subdivision (d), the Superintendent may allocate up to fifty million dollars (\$50,000,000) of the amount appropriated pursuant to subdivision (d) to address state-level systems building and align local practice with the research and practice-based strategies that support inclusive fiscal and programmatic educational planning and best promote pupil outcomes and program quality. Specific activities shall include:

(1) Providing technical assistance, practice-based coaching, and job-embedded professional learning to support grantees, as necessary, around inclusion, social-emotional well-being of children, and strategies to leverage all available funding for

inclusive environments in early education and to promote comprehensive fiscal and programmatic strategic planning at the local level.

(2) Developing culturally and linguistically responsive resources, as needed for grantees.

(3) Providing regional supports for early education inclusion integrated into a California state preschool program support system.

(4) Facilitation of the workgroup pursuant to subdivision (l).

(n) 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.

(o) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the amount appropriated in subdivision (d) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202, for the 2020–21 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 2020–21 fiscal year.

**SEC. 14.** Article 24 (commencing with Section 8490) is added to Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, to read:

**Article 24. Identification of Developmental Delays and Learning Disabilities**

**8490.** (a) Of the funds appropriated in Item 6100-001-0001 of Section 2.00 of the Budget Act of 2022, two million dollars (\$2,000,000) shall be allocated to the department to develop a process and tools for early identification of children at risk for developmental delays or learning disabilities. The funding in the Budget Act of 2022 that is allocated for purposes of this section shall be available for encumbrance until June 30, 2024.

(b) (1) The process and tools developed by the department pursuant to subdivision (a) shall include immediate identification, further evaluation as needed, support and remediation based on needs of the child, and additional referrals for services as deemed necessary.

(2) A process for research-based early intervention that considers the differing intervention needs children may have in areas of concern.

(3) Evidence that the process and tools are valid and reliable for identification of all delays pursuant to Part B of the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.), including, but not limited to, dyslexia and other early literacy delays, and for identification of literacy and language acquisition for children two to six years of age, inclusive, who speak a home language that is not English.

(4) Communication approaches with parents and guardians to address student supports in the home learning environment.

(c) The process and tools developed by the department pursuant to subdivision (a) shall be available and appropriate for use in all California state preschool programs, transitional kindergarten programs, and kindergarten programs pursuant to guidance from the Superintendent.

(d) (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 this subdivision, the department shall implement this subdivision through management bulletins or similar letters of instruction no later than six months after the process and tools determination is complete.

(2) The department shall initiate a rulemaking action to implement this subdivision within one calendar year of the management bulletin being released.

(e) On or before October 5, 2023, the department shall submit a report to the Joint Legislative Budget Committee, appropriate policy committees of the Legislature, and the Department of Finance to identify the process and tools developed pursuant to this section, the evidence required pursuant to this section, and recommendations to align local practices and implementation.

**SEC. 15.** Section 44300 of the Education Code is amended to read:

**44300.** (a) Commencing January 1, 1990, the commission may issue or renew emergency teaching or specialist permits in accordance with regulations adopted by the commission corresponding to the credential types specified in paragraphs (1), (2), and (3) of subdivision (b) of Section 44225, provided that all of the following conditions are met:

(1) The applicant possesses a baccalaureate degree conferred by a regionally accredited institution of higher education and has fulfilled the subject matter requirements of Section 44301.

(2) The applicant passes the state basic skills proficiency test as provided for in Section 44252.

(3) The commission approves the justification for the emergency permit submitted by the school district in which the applicant is to be employed. The justification shall include all of the following:

(A) Annual documentation that the district has implemented in policy and practices a process for conducting a diligent search that shall include, but is not limited to, distributing job announcements, contacting college and university placement centers, advertising in local newspapers, exploring the incentives included in the Teaching As A Priority Block Grant established pursuant to Section 44735, participating in the state and regional recruitment centers established pursuant to Sections 44751, as it read prior to May 5, 2003, and 90530, and participating in job fairs in this state, but has been unable to recruit a sufficient number of certificated teachers, including teacher candidates pursuing full certification through internship, district internship, or other alternative routes established by the commission.

(B) A declaration of need for fully qualified educators based on the documentation set forth in subparagraph (A) and made in the form of a motion adopted by the governing board of the district or the county board of education at a regularly scheduled meeting of the governing board or the county board of education. The motion may not be part of the consent agenda and shall be entered in the minutes of the meeting.

(b) The commission may deny a request for an emergency permit that does not meet the justification set forth in subparagraph (A) of paragraph (3) of subdivision (a).

(c) It is the intent of the Legislature that the commission continue to issue emergency teaching permits to individuals employed by school districts defined in regulations as remote from regionally accredited institutions of higher education.

(d) The commission may issue and reissue emergency permits corresponding to the credential types specified in paragraph (4) of subdivision (b) of Section 44225. The commission shall establish appropriate standards for each type of emergency permit specified in paragraph (4) of subdivision (b) of Section 44225.

(e) The exclusive representative of certificated employees, if any, as provided under Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code, may submit a written statement to the commission agreeing or disagreeing with the justification submitted to the commission pursuant to paragraph (3) of subdivision (a).

(f) A person holding an emergency teaching or specialist permit shall attend an orientation to the curriculum and to techniques of instruction and classroom management, and shall teach only with the assistance and guidance of a certificated employee of the district who has completed at least three years of full-time teaching experience, or the equivalent thereof. It is the intent of the Legislature to encourage districts to provide directed teaching experience to new emergency permitholders with no prior teaching experience.

(g) The holder of an emergency permit shall participate in ongoing training, coursework, or seminars designed to prepare the individual to become a fully credentialed teacher or other educator in the subject area or areas in which the individual is assigned to teach or serve. The employing agency shall verify that employees applying to renew their emergency permits are meeting these ongoing training requirements.

(h) Emergency permits for pupil personnel services shall not be valid for the purpose of determining pupil eligibility for placement in a special education class or program.

(i) This section shall not apply to the issuance of an emergency substitute teaching permit, or of an emergency permit to a teacher who has consented to teach temporarily outside of their field of certification, for which the commission shall establish minimum requirements.

(j) The commission may issue a one-year emergency specialist teaching permit in early childhood education that authorizes teaching all subjects in a self-contained transitional kindergarten general education classroom, as defined in Section 48000, provided that all of the following conditions are met:

(1) The applicant possesses a baccalaureate or higher degree conferred by a regionally accredited institution of higher education and holds a valid commission-issued child development permit at the teacher or higher level.

(2) The applicant satisfies the subject matter requirement by one of the following options:

(A) Commencing July 1, 2022, completes 24 semester units of coursework in child development or early childhood education at a regionally accredited institution of higher education.

(B) Commencing July 1, 2022, holds a baccalaureate or higher degree conferred by a regionally accredited institution of higher education where the major is in child development, or early childhood education, or a similar major.

(C) Commencing July 1, 2023, has three or more years of full-time teaching experience in a transitional kindergarten setting, or preschool age early childhood or child development program, or a combination thereof. Experience may include, but shall not be limited to, teaching experience in a public or private preschool or transitional kindergarten setting, Head Start program, or state-funded preschool program. For the purposes of this subparagraph, "teaching" shall mean the lead or primary classroom teacher, and not teaching done in support of another lead or primary classroom teacher.

(3) The commission approves the justification for the emergency permit submitted by the local employing agency in which the applicant is to be employed. The justification shall include all of the following:

(A) Annual documentation that the local employing agency has implemented in policy and practices a process for conducting a diligent search that shall include, but is not limited to, distributing job announcements, contacting college and university placement centers, advertising in local newspapers or online webpages, and participating in job fairs in this state, but has been unable to recruit a sufficient number of certificated teachers, including teacher candidates pursuing full certification through internship, district internship, or other alternative routes established by the commission.

(B) A declaration of need for fully qualified educators based on the documentation set forth in subparagraph (A) and made in the form of a motion adopted by the governing board of the charter school, district, or the county board of education at a regularly scheduled meeting of the governing body or the county board of education. The motion may not be part of the consent agenda and shall be entered in the minutes of the meeting.

(C) (i) Verification that the employing charter school, district, or county shall provide the required orientation, mentoring, and support to the applicant.

(ii) The local employing agency shall report to the governing board of the charter school, district, or the county board of education at a regularly scheduled meeting of the governing body or the county board of education on the required orientation, mentoring and support provided to the applicants.

(k) The commission may renew an emergency specialist teaching permit in early childhood education for one additional year, provided all of the following conditions are met:

(1) The applicant verifies current enrollment in a commission-approved teacher preparation program that will result in a credential authorizing teaching transitional kindergarten.

(2) The local employing agency submits a subsequent declaration of need for fully qualified educators based on the documentation set forth in subparagraph (A) of paragraph (3) of subdivision (j) made in the form of a motion adopted by the governing board of the charter school, district, or the county board of education at a regularly scheduled meeting of the governing body or the county board of education. The motion may not be part of the consent agenda and shall be entered in the minutes of the meeting.

(3) The local employing agency verifies that the applicant continues to successfully serve in the assignment on the basis of the emergency permit.

(4) (A) The local employing agency verifies that continued orientation, mentoring, and support shall be provided to the applicant.

(B) The local employing agency shall report to the governing board of the charter school, district, or the county board of education at a regularly scheduled meeting of the governing body or the county board of education on the required orientation, mentoring, and support provided to the applicant.

**SEC. 16.** Section 48000 of the Education Code is amended to read:

**48000.** (a) A child shall be admitted to a kindergarten maintained by the school district at the beginning of a school year, or at a later time in the same year, if the child will have their fifth birthday on or before one of the following dates:

(1) December 2 of the 2011–12 school year.

(2) November 1 of the 2012–13 school year.

(3) October 1 of the 2013–14 school year.

(4) September 1 of the 2014–15 school year and each school year thereafter.

(b) The governing board of the school district of a school district maintaining one or more kindergartens may, on a case-by-case basis, admit to a kindergarten a child having attained the age of five years at any time during the school year with the approval of the parent or guardian, subject to the following conditions:

(1) The governing board of the school district determines that the admittance is in the best interests of the child.

(2) The parent or guardian is given information regarding the advantages and disadvantages and any other explanatory information about the effect of this early admittance.

(c) (1) As a condition of receipt of apportionment for pupils in a transitional kindergarten program pursuant to Section 46300, and Chapter 3 (commencing with Section 47610) of Part 26.8, as applicable, a school district or charter school shall ensure the following:

(A) In the 2012–13 school year, a child who will have their fifth birthday between November 2 and December 2 shall be admitted to a transitional kindergarten program maintained by the school district or charter school.

(B) In the 2013–14 school year, a child who will have their fifth birthday between October 2 and December 2 shall be admitted to a transitional kindergarten program maintained by the school district or charter school.

(C) From the 2014–15 school year to the 2021–22 school year, inclusive, a child who will have their fifth birthday between September 2 and December 2 shall be admitted to a transitional kindergarten program maintained by the school district or charter school.

(D) In the 2022–23 school year, a child who will have their fifth birthday between September 2 and February 2 shall be admitted to a transitional kindergarten program maintained by the school district or charter school.

(E) In the 2023–24 school year, a child who will have their fifth birthday between September 2 and April 2 shall be admitted to a transitional kindergarten program maintained by the school district or charter school.

(F) In the 2024–25 school year, a child who will have their fifth birthday between September 2 and June 2 shall be admitted to a transitional kindergarten program maintained by the school district or charter school.

(G) In the 2025–26 school year, and in each school year thereafter, a child who will have their fourth birthday by September 1 shall be admitted to a transitional kindergarten program maintained by the school district or charter school.

(2) (A) In any school year, a school district or charter school may, at any time during a school year, admit a child to a transitional kindergarten program who will have their fifth birthday after the date specified for the applicable year in subparagraphs (A) to (F), inclusive, of paragraph (1) but during that same school year, with the approval of the parent or guardian, subject to the following conditions:

(i) The governing board of the school district or the governing body of the charter school determines that the admittance is in the best interests of the child.

(ii) The parent or guardian is given information regarding the advantages and disadvantages and any other explanatory information about the effect of this early admittance.

(B) Notwithstanding any other law, a pupil admitted to a transitional kindergarten program pursuant to subparagraph (A) shall not generate average daily attendance for purposes of Section 46300, or be included in the enrollment or unduplicated pupil count pursuant to Section 42238.02, until the pupil has attained the pupil's fifth birthday, regardless of when the pupil was admitted during the school year.

(d) For purposes of this section, "transitional kindergarten" means the first year of a two-year kindergarten program that uses a modified kindergarten curriculum that is age and developmentally appropriate.

(e) A transitional kindergarten shall not be construed as a new program or higher level of service.

(f) It is the intent of the Legislature that transitional kindergarten curriculum be aligned to the California Preschool Learning Foundations developed by the department.

(g) As a condition of receipt of apportionment for pupils in a transitional kindergarten program pursuant to Section 46300, a school district or charter school shall do all of the following:

- (1) Maintain an average transitional kindergarten class enrollment of not more than 24 pupils for each schoolsite.
- (2) Commencing with the 2022–23 school year, maintain an average of at least one adult for every 12 pupils for transitional kindergarten classrooms.
- (3) Commencing with the 2023–24 school year, and for each year thereafter, maintain an average of at least one adult for every 10 pupils for transitional kindergarten classrooms, contingent upon an appropriation of funds for this purpose.
- (4) Ensure that credentialed teachers who are first assigned to a transitional kindergarten classroom after July 1, 2015, have, by August 1, 2023, one of the following:

(A) At least 24 units in early childhood education, or childhood development, or both.

(B) As determined by the local educational agency employing the teacher, professional experience in a classroom setting with preschool age children that is comparable to the 24 units of education described in subparagraph (A).

(C) A child development teacher permit, or an early childhood education specialist credential, issued by the Commission on Teacher Credentialing.

(h) A school district or charter school may place four-year-old children, as defined in Section 8205, enrolled in a California state preschool program into a transitional kindergarten program classroom. A school district or charter school that commingles children from both programs in the same classroom shall meet all of the requirements of the respective programs in which the children are enrolled, and the school district or charter school shall adhere to all of the following requirements, irrespective of the program in which the child is enrolled:

(1) An early childhood environment rating scale, as specified in Section 18281 of Title 5 of the California Code of Regulations, shall be completed for the classroom.

(2) All children enrolled for 10 or more hours per week shall be evaluated using the Desired Results Developmental Profile, as specified in Section 18272 of Title 5 of the California Code of Regulations.

(3) The classroom shall be taught by a teacher that holds a credential issued by the Commission on Teacher Credentialing in accordance with Section 44065 and subdivision (b) of Section 44256 and who meets the requirements set forth in subdivision (g).

(4) The classroom shall be in compliance with the adult-child ratio specified in subdivision (c) of Section 8264.8.

(5) Contractors of a school district or charter school commingling children enrolled in the California state preschool program with children enrolled in a transitional kindergarten program classroom shall report the services, revenues, and expenditures for the California state preschool program children in accordance with Section 18068 of Title 5 of the California Code of Regulations. Those contractors are not required to report services, revenues, and expenditures for the children in the transitional kindergarten program.

(i) Until July 1, 2019, a transitional kindergarten classroom that has in attendance children enrolled in a California state preschool program shall be licensed pursuant to Chapter 3.4 (commencing with Section 1596.70) of, and Chapter 3.5 (commencing with Section 1596.90) of, Division 2 of the Health and Safety Code.

(j) A school district or charter school that chooses to place California state preschool program children into a transitional kindergarten program classroom shall not also include children enrolled in transitional kindergarten for a second year or children enrolled in kindergarten in that classroom.

(k) A child's eligibility for transitional kindergarten enrollment under paragraph (1) or (2) of subdivision (c) shall not impact family eligibility for a preschool or childcare program, including, but not limited to, all of the following:

(1) A Head Start or Early Head Start program, as defined by the federal Head Start Act, as amended (42 U.S.C. Sec. 9801 et seq.).

(2) A childcare center, family childcare home, or license-exempt provider serving children through an alternative payment program pursuant to Chapter 3 (commencing with Section 10225) of Part 1.8 of Division 9 of the Welfare and Institutions Code.

(3) A migrant childcare and development program serving children pursuant to Chapter 6 (commencing with Section 10235) of Part 1.8 of Division 9 of the Welfare and Institutions Code.

(4) A childcare center or family childcare home educational 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.



(5) A childcare center, family childcare home, or license-exempt provider serving children through a general childcare and development program pursuant to Chapter 7 (commencing with Section 10240) of Part 1.8 of Division 9 of the Welfare and Institutions Code.

(6) A family childcare home educational network serving children pursuant to Chapter 8 (commencing with Section 10250) of Part 1.8 of Division 9 of the Welfare and Institutions Code.

(7) Childcare and development services for children with special needs pursuant to Chapter 9 (commencing with Section 10260) of Part 1.8 of Division 9 of the Welfare and Institutions Code.

(8) A program serving children through a CalWORKs Stage 1, Stage 2, or Stage 3 program pursuant to Chapter 21 (commencing with Section 10370) of Part 1.8 of Division 9 of the Welfare and Institutions Code.

(l) The Superintendent shall authorize California state preschool program contracting agencies to offer up to three hours each instructional day of wraparound childcare services within a part-day California state preschool program for children enrolled in an education program as a transitional kindergarten or kindergarten pupil, if their families meet the requirements of Section 8208.

**SEC. 17.** Section 10206 of the Welfare and Institutions Code is amended to read:

**10206.** (a) 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 part 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.

(b) Initial regulations developed pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) that are necessary to implement Chapter 24 of the Statutes of 2020 (Senate Bill 98 of the 2019–20 Regular Session) shall be adopted by each department no later than December 31, 2025.

**SEC. 18.** Section 10208 of the Welfare and Institutions Code is amended to read:

**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, including, but not limited to, program activities and services that meet the needs of dual language learners for support in the development of their home language and English.

(d) Family and community involvement.

(e) Parent education.

(f) Efficient and effective local program administration.

(g) Staff that possesses the appropriate and required qualifications, experience, training, or a combination thereof. 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.

**SEC. 19.** Section 10213.5 of the Welfare and Institutions Code is amended to read:

**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, or a migrant alternative payment program pursuant to Chapter 6 (commencing with Section 10235), 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) "Dual language learner" 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.

(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.

**SEC. 20.** Section 10223 of the Welfare and Institutions Code is amended to read:

**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 childcare 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 childcare spaces available and the quality of childcare 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 childcare resource and referral agencies that have been selected as pilot sites for the project.

(d) The grants to the sites made available by the project shall be composed of a combination of state funds or a combination of state funds and other funds.

(e) The department shall develop a database for the project.

(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), the department may implement and administer the changes made to this section by the act that added this subdivision by all-county letter or similar directive until regulations are adopted.

(2) The department shall adopt regulations implementing the changes made to this section by the act that added this subdivision no later than July 1, 2025.

**SEC. 21.** Section 10233.5 of the Welfare and Institutions Code is amended to read:

**10233.5.** (a) Commencing July 1, 2020, alternative payment programs shall provide notice to a childcare provider of a change in reimbursement amounts for childcare 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 childcare 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.

(c) This section shall become inoperative on September 1, 2022, as of January 1 of the following year, is repealed.

**SEC. 22.** Section 10271.5 of the Welfare and Institutions Code is amended to read:

**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 childcare under this chapter.

(e) Payments made on behalf of a child pursuant to Section 11460, 11461.3, 11461.36, or 11461.4 shall not be included as income for purposes of determining eligibility for childcare under this chapter.

(f) Notwithstanding any other law, guaranteed income payments received by an individual shall not be included as income for purposes of determining eligibility for childcare under this chapter. For purposes of this subdivision, "guaranteed income payments" are defined as unconditional, recurring, regular cash payments, whether publicly or privately funded, that are intended

to support the basic needs of eligible recipients, including, but not limited to, payments provided through pilot programs and projects receiving funding from the California Guaranteed Income Pilot Program (Chapter 16 (commencing with Section 18997) of Part 6).

**SEC. 23.** Section 10276 is added to the Welfare and Institutions Code, to read:

**10276.** (a) A child care and development program funded pursuant to the federal Child Care and Development Fund, as defined in Section 98.2 of Title 45 of the Code of Federal Regulations, shall provide notice to a childcare provider of a change in reimbursement amounts for childcare services, a change in the hours of care, rates, or schedules, an increase or decrease in parent fees, a termination of services, including, but not limited to, a family's change in provider, or any changes to the family's eligibility status that may impact payment. For purposes of this section, the notice shall occur either electronically, if requested by the childcare provider, or via the United States Postal Service. The program shall send the notice, as well as the effective date of any change described in this subdivision, no later than the day the program becomes aware that the change will occur.

(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.

(c) (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), the department may implement and administer this section by all-county letter or similar directive until regulations are adopted.

(2) The department shall adopt emergency regulations implementing this section no later than July 1, 2026. The department may readopt any emergency regulation authorized by this section that is the same as, or substantially equivalent to, any emergency regulation previously adopted pursuant to this section. The initial adoption of regulations pursuant to this section and one readoption of emergency regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare. Initial emergency regulations and one readoption of emergency regulations authorized by this section shall be exempt from review by the Office of Administrative Law. The initial emergency regulations and the one readoption of emergency regulations authorized by this section shall be submitted to the Office of Administrative Law for filing with the Secretary of State, and each shall remain in effect for no more than 180 days, by which time final regulations shall be adopted.

(d) This section shall become operative on September 1, 2022.

**SEC. 24.** Section 10281.5 of the Welfare and Institutions Code is amended to read:

**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, inclusive, 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, inclusive, 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, inclusive, the adjustment factor shall be 1.54.

(4) For severely disabled children who are 0 to 21 years of age, inclusive, 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 dual language learner children who are two years of age through kindergarten age, inclusive, the adjustment factor shall be 1.1.

(7) For infants and toddlers who are 0 to 36 months of age, inclusive, and are served in general child care and development programs, or children who are 0 to 5 years of age, inclusive, 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.

**SEC. 25.** Section 10290 of the Welfare and Institutions Code is amended to read:

**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.

(i) Notwithstanding any other provision of this chapter, family fees shall not be collected for the 2022–23 fiscal year.

(j) During the 2022–23 fiscal year, contractors shall reimburse subsidized childcare providers for the full amount of the certificate or voucher without deducting family fees.

**SEC. 26.** Section 10441 of the Welfare and Institutions Code is amended to read:

**10441.** (a) 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" means those funds 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) 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 childcare 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 childcare programs that are funded under contract with the department. The reserve amount allowed by this subdivision shall not exceed either of the following, whichever is greater:

(1) Eight 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 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.

**SEC. 27.** (a) (1) (A) One hundred seven million six hundred thirty-six thousand dollars (\$107,636,000) shall be allocated from funds in Schedule (3) of Item 5180-101-0890 of the Budget Act of 2022 to provide support, as described in paragraph (2), through June 30, 2023, to alternative payment programs, including migrant alternative payment programs, and to state-subsidized childcare providers, including daycare centers, family daycare homes, and license-exempt providers, that serve children through an alternative payment program, including a migrant alternative payment program pursuant to Chapter 3 (commencing with Section 10225) of, migrant child care and development programs pursuant to Chapter 6 (commencing with Section 10235) of, a general child care and development program pursuant to Chapter 7 (commencing with Section 10240) of, a family child care home education network pursuant to Chapter 8 (commencing with Section 10250) of, child care and development services for children with special needs pursuant to Chapter 9 (commencing with Section 10260) of, or the CalWORKs Stage 1, Stage 2, or Stage 3 program pursuant to Chapter 21 (commencing with Section 10370) of, Part 1.8 of Division 9 of the Welfare and Institutions Code.

(B) Six million dollars (\$6,000,000) shall be allocated from funds in Schedule (3) of Item 5180-101-0001 of the Budget Act of 2022 to provide support, as described in paragraph (2), through June 30, 2023, to counties and alternative payment programs, and to state-subsidized childcare providers, including daycare centers, family daycare homes, and license-exempt providers, that serve children through the Emergency Child Care Bridge Program for Foster Children pursuant to Section 11461.6 of the Welfare and Institutions Code.

(2) Notwithstanding subdivision (d) of Section 10227.5 of the Welfare and Institutions Code, reimbursement for childcare providers, including license-exempt providers, shall be based on families' certified need, as follows:

(A) Providers shall be reimbursed based on the maximum authorized hours of care, regardless of attendance.

(B) For families certified for a variable schedule, providers shall be reimbursed based on the maximum authorized hours of care.



(C) For license-exempt providers that provide part-time services, providers shall be reimbursed based on the maximum authorized hours of care.

(b) (1) Contracting agencies operating a migrant child care and development program pursuant to Chapter 6 (commencing with Section 10235) of, a general child care and development program pursuant to Chapter 7 (commencing with Section 10240) of, a family child care home education network program pursuant to Chapter 8 (commencing with Section 10250) of, or a child care and development services for children with special needs program pursuant to Chapter 9 (commencing with Section 10260) of, Part 1.8 of Division 9 of the Welfare and Institutions Code shall be reimbursed according to paragraph (2), if they meet either of the following requirements:

(A) The program is open and operating in accordance with their approved program calendar and remains open and offering services through the 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.

(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 State Department of Social Services.

**SEC. 28.** 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.