

**ASSEMBLY BILL**

**No. 377**

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**Introduced by Assembly Member Frazier**

February 9, 2017

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An act to add and repeal Article 15.4.2 (commencing with Section 8349) of Chapter 2 of Part 6 of Division 1 of Title 1 of the Education Code, relating to child care and development services.

LEGISLATIVE COUNSEL'S DIGEST

AB 377, as introduced, Frazier. Child care subsidy plans: County of Solano.

The Child Care and Development Services Act has a purpose of providing a comprehensive, coordinated, and cost-effective system of child care and development services for children from infancy to 13 years of age and their parents, including a full range of supervision, health, and support services through full- and part-time programs. Existing law requires the Superintendent of Public Instruction to develop standards for the implementation of quality child care programs. Existing law authorizes the County of Alameda, as a pilot project, to develop an individualized county child care subsidy plan, as provided.

This bill would authorize, until January 1, 2023, the County of Solano to develop and implement an individualized county child care subsidy plan, as specified. The bill would require the plan to be submitted to the local planning council and the Solano County Board of Supervisors for approval, as specified. The bill would require the Early Education and Support Division of the State Department of Education to review and approve or disapprove the plan and any subsequent modifications to the plan. The bill would require the County of Solano to annually prepare and submit to the Legislature, the State Department of Social

Services, and the State Department of Education a report that contains specified information relating to the success of the county’s plan.

This bill would make legislative findings and declarations as to the necessity of a special statute for County of Solano.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
 State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. It is the intent of the Legislature to build a stable,  
 2 comprehensive, and adequately funded high-quality early learning  
 3 and educational support system for children from birth to five years  
 4 of age, inclusive, with alignment and integration into the K–12  
 5 education system by strategically using state and federal funds,  
 6 and engaging all early care and education stakeholders, including  
 7 K–12 education stakeholders, in an effort to provide access to  
 8 affordable, high-quality services supported by adequate rates,  
 9 integrated data systems, and a strong infrastructure that supports  
 10 children and the educators that serve them.

11 SEC. 2. Article 15.4.2 (commencing with Section 8349) is  
 12 added to Chapter 2 of Part 6 of Division 1 of Title 1 of the  
 13 Education Code, to read:

14  
 15 Article 15.4.2. Individualized County of Solano Child Care  
 16 Subsidy Plan  
 17

18 8349. The County of Solano may, as a pilot project, develop  
 19 and implement an individualized county child care subsidy plan.  
 20 The plan shall ensure that child care subsidies received by the  
 21 County of Solano are used to address local needs, conditions, and  
 22 priorities of working families in the community.

23 8349.1. For purposes of this article, “county” means the County  
 24 of Solano.

25 8349.2. (a) For purposes of this article, “plan” means an  
 26 individualized county child care subsidy plan developed and  
 27 approved under the pilot project described in Section 8349, which  
 28 includes all of the following:

29 (1) An assessment to identify the county’s goals for its  
 30 subsidized child care system. The assessment shall examine  
 31 whether the current structure of subsidized child care funding

1 adequately supports working families in the county and whether  
2 the county's child care goals coincide with the state's requirements  
3 for funding, eligibility, priority, and reimbursement. The  
4 assessment shall also identify barriers in the state's child care  
5 subsidy system that inhibit the county from meeting its child care  
6 goals. In conducting the assessment, the county shall consider all  
7 of the following:

8 (A) The general demographics of families who are in need of  
9 child care, including employment, income, language, ethnic, and  
10 family composition.

11 (B) The current supply of available subsidized child care.

12 (C) The level of need for various types of subsidized child care  
13 services, including, but not limited to, infant care, after-hours care,  
14 and care for children with exceptional needs.

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

16 (E) Income eligibility levels for subsidized child care.

17 (F) Family fees.

18 (G) The cost of providing child care.

19 (H) The regional market rates, as established by the department,  
20 for different types of child care.

21 (I) The standard reimbursement rate or state per diem for centers  
22 operating under contracts with the department.

23 (J) Trends in the county's unemployment rate and housing  
24 affordability index.

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

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

29 (i) Prioritize lowest income families first.

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

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

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

37 (v) (I) Authorize an agency that provides child care and  
38 development services in the county through a contract with the  
39 department and either provides direct services or contracts with

1 licensed providers or centers to apply to the department to amend  
2 existing contracts in order to benefit from the local policy.

3 (II) The department shall approve an application to amend an  
4 existing contract if the plan is modified pursuant to Section 8349.3.

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

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

10 (i) Eligibility criteria, including, but not limited to, age, family  
11 size, time limits, income level, inclusion of former and current  
12 CalWORKs participants, and special needs considerations, except  
13 that the local policy shall not deny or reduce eligibility of a family  
14 that qualifies for child care pursuant to Section 8353. Under the  
15 local policy, a family that qualifies for child care pursuant to  
16 Section 8354 shall be treated for purposes of eligibility and fees  
17 in the same manner as a family that qualifies for subsidized child  
18 care on another basis pursuant to the local policy.

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

22 (iii) Reimbursement rates.

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

28 (3) Recognition that all funding sources utilized by direct service  
29 contractors that provide child care and development services in  
30 the county and contractors that contract with licensed providers  
31 and centers are eligible to be included in the county’s plan.

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

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

39 8349.3. (a) The plan shall be submitted to the local planning  
40 council, as defined in subdivision (g) of Section 8499, for approval.

1 Upon approval of the plan by the local planning council, the Board  
2 of Supervisors of the County of Solano shall hold at least one  
3 public hearing on the plan. Following the hearing, if the board  
4 votes in favor of the plan, the plan shall be submitted to the Early  
5 Education and Support Division of the department for review.

6 (b) Within 30 days of receiving the plan, the Early Education  
7 and Support Division shall review and either approve or disapprove  
8 the plan.

9 (c) Within 30 days of receiving a modification to the plan, the  
10 Early Education and Support Division shall review and either  
11 approve or disapprove that modification to the plan.

12 (d) The Early Education and Support Division may disapprove  
13 only those portions of modifications to the plan that are not in  
14 conformance with this article or that are in conflict with federal  
15 law.

16 8349.4. The county shall, by the end of the first fiscal year of  
17 operation under the approved child care subsidy plan, demonstrate,  
18 in the report required pursuant to Section 8349.5, an increase in  
19 the aggregate days a child is enrolled in child care in the county  
20 as compared to the enrollment in the final quarter of the 2016–17  
21 fiscal year.

22 8349.5. (a) The county shall annually prepare and submit to  
23 the Legislature, the State Department of Social Services, and the  
24 department a report that summarizes the success of the county’s  
25 plan, and the county’s ability to maximize the use of funds and to  
26 improve and stabilize child care in the county.

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

30 8349.6. A participating contractor shall receive an increase or  
31 decrease in funding that the contractor would have received if the  
32 contractor had not participated in the plan.

33 8349.7. This article shall remain in effect only until January  
34 1, 2023, and as of that date is repealed, unless a later enacted  
35 statute, that is enacted before January 1, 2023, deletes or extends  
36 that date.

37 SEC. 3. The Legislature finds and declares that a special statute  
38 is necessary and that a general statute cannot be made applicable  
39 within the meaning of Section 16 of Article IV of the California  
40 Constitution because of the unique circumstances in the County

1 of Solano. Existing law does not reflect the fiscal reality of living  
2 in the County of Solano, a high-cost county where the cost of living  
3 is well beyond the state median level, resulting in reduced access  
4 to quality child care. In recognition of the unintended consequences  
5 of living in a high-cost county, this act is necessary to provide  
6 children and families in the County of Solano proper access to  
7 child care through an individualized county child care subsidy  
8 plan.

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