County of Los Angeles
CHIEF EXECUTIVE OFFICE
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
http://ceo.lacounty.gov

WILLIAM T FUJIOKA
Chief Executive Officer

June 25, 2013

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

To: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

SACRAMENTO UPDATE

Executive Summary

This memorandum contains reports on the following:

- **Pursuit of County Position to Support AB 274 (Bonilla).** This measure would streamline the attendance tracking and invoicing processes for subsidized child care providers. Therefore, unless otherwise directed by the Board, consistent with existing policy to support the streamlining of administrative processes to expand access to early care and education, and ensure continuity of care, **the Sacramento advocates will support AB 274**.

- **Status of County Advocacy Legislation**

  - **County-supported SB 328 (Knight)** - related to the use of construction manager at-risk construction contracts, passed the Assembly Accountability and Administrative Review Committee on June 19, 2013.

- **Status of Legislation of County Interest**

  - **AB 1080 (Alejo)** - related to authority to create a Community Revitalization Investment Authority to carry out the Community Redevelopment Law and invest property tax increment and bond proceeds, passed the Senate Governance and Finance Committee on June 19, 2013.

- **SB 341 (DeSaulnier)** - related to rules governing the use and administration of the Low and Moderate Income Housing Fund by redevelopment housing successor agencies, passed the Assembly Housing and Community Development Committee on June 19, 2013.

Pursuit of County Position on Legislation

AB 274 (Bonilla), which as amended May 24, 2013, would: 1) allow subsidized child care providers to submit attendance records on a monthly basis; 2) allow attendance records to be maintained in original format or electronically; and 3) require the State to process payments to providers through direct deposit.

Existing law establishes the Child Care and Development Services Act, which provides for subsidized child care and development services for eligible children up to 13 years, with certain requirements. Under this act, the California Department of Education (CDE) contracts with local agencies, Alternative Payment Programs (APPs), which provide families participating in welfare-to-work activities under the California Work Opportunities and Responsibility to Kids (CalWORKs) program or low-income working parents who do not qualify for CalWORKs, with subsidized child care vouchers. These vouchers are used to access child care at participating licensed child development centers, family child care homes, or by license-exempt providers such as a family member, friend or neighbor.

AB 274 intends to streamline specified administrative processes in the APP child care and development programs. Specifically, it would amend the Child Care and Development Services Act as follows:

- For reimbursement purposes, current regulations require subsidized child care providers to submit reports of child attendance on a daily method. AB 274 would instead allow providers to submit to the APP a monthly attendance record, signed by the parent and by the provider, to serve as an invoice;

- State statute is not specific as to how and in what form child development providers and APPs must maintain these records. This bill would allow the monthly attendance records to be maintained in original format or electronically, except as otherwise required by State or Federal law; and

- Currently, APPs and child care providers are paid through hard copy checks. Contingent on the implementation of an upcoming new State budgeting and cash management system, AB 274 would require the CDE, upon request, to process payments through direct deposit.

The Chief Executive Office - Office of Child Care (CEO-OCC) indicates that AB 274 would positively benefit the programs and the families served by the 12 APPs in Los Angeles County that hold contracts with the CDE to administer subsidized child care programs. These APPs serve families whom receive CalWORKs Stage 2 and Stage 3 child care. The APPs also administer non-CalWORKs child care and development programs including General Child Care, Alternative Payment, State Preschool and the Migrant program. CEO-OCC and the Policy Roundtable for Child Care (Roundtable) report that the current system for administering attendance reporting and invoicing in these programs is an extensive time-consuming process. Providers are required to submit periodic reports including daily records showing days and hours of enrollment and attendance. In addition, current regulations are unclear whether these records need to be kept in their original form, electronically, or in an alternative format. CEO-OCC notes that these issues needlessly increase the administrative costs and burdens for the APPs, providers, and the overall programs. Lastly, the CEO-OCC notes that APPs are paid with paper checks, sent through the U.S. mail, which often are in relatively large amounts. These checks have been delayed or lost in the past, causing disruptions in program operations and services.

The Chief Executive Office - Office of Child Care indicates that AB 274 would address these issues by reducing the processing of attendance documents from a daily to a monthly method and by allowing direct deposit of payments to providers. In addition, the bill would clarify that records may be maintained electronically, thus reducing the administrative burden of maintaining vast amounts of hard copies. CEO-OCC and the Roundtable note that by streamlining these administrative processes, AB 274 would free up agency resources, which can then be used to improve direct services for families.

The Chief Executive Office - Office of Child Care, and the Roundtable support AB 274, and we concur. Therefore, unless otherwise directed by the Board, consistent with existing policy to support the streamlining of California Department of Education/Child Development Division administrative processes to expand access for low-income families, ensure continuity of care, and promote flexible use of early care and education funding to meet the needs of families, **the Sacramento advocates will support AB 274.**

AB 274 is sponsored by the California Alternative Payment Program Association (CAPPA) and supported by BANANAS, Child Care Resource & Referral, Northern Alameda County; Contra Costa Child Care Council; Family Resource and Referral Center, San Joaquin County; Solano Family & Children's Services; and Valley Oak Children's Services. There is no registered opposition on file.

This measure is scheduled for a hearing in the Senate Education Committee on July 3, 2013.

Status of County Advocacy Legislation

County-supported SB 328 (Knight), which as amended on April 9, 2013, would authorize a county, until January 1, 2021, with approval of the board of supervisors, to utilize construction manager at-risk construction contracts for the erection, construction, alteration, repair, or improvement of any building owned or leased by the county for projects in excess of $1.0 million, passed the Assembly Accountability and Administrative Review Committee by a vote of 12 to 0 on June 19, 2013. This measure now proceeds to the Assembly Appropriations Committee.

Status of Legislation of County Interest

AB 1080 (Alejo), which as amended on May 20, 2013, would authorize cities and counties, either separately or in cooperation with each other and/or special districts, to form a Community Revitalization Investment Authority (CRIA) in certain communities to carry out the Community Redevelopment Law and invest property tax increment and bond proceeds to relieve conditions of unemployment, reduce high crime rates, repair deteriorating and inadequate infrastructure, clean up brownfields, and promote affordable housing, passed the Senate Governance and Finance Committee by a vote of 4 to 1 on June 19, 2013. This measure now proceeds to the Senate Transportation and Housing Committee.

SB 341 (DeSaulnier), which as amended on May 30, 2013, would: 1) affirm that funds in the Low and Moderate Income Housing Asset Fund shall be subject to the Community Redevelopment Law; 2) streamline administrative requirements for expenditure of these funds; and 3) clarify and streamline reporting requirements, among other provisions, passed the Assembly Housing and Community Development Committee by a vote of 7 to 0 on June 19, 2013. This measure now proceeds to the Assembly Local Government Committee.

We will continue to keep you advised.

WTF:RA
MR:VE:IGEA:ma

c: All Department Heads
Legislative Strategist