

Date of Hearing: March 24, 2026

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Alex Lee, Chair

AB 2006 (Michelle Rodriguez) – As Amended March 2, 2026

SUBJECT: State government: office buildings: day care centers

SUMMARY: Requires the state, beginning January 1, 2027, to prioritize space in newly constructed, acquired, or renovated state-owned office buildings for licensed childcare providers to operate daycare centers. Authorizes the Director (director) of California Department of General Services (DGS) to establish lease terms and set rental rates, including reduced or no rent for nonprofit providers that accept subsidies, and prioritizes enrollment of children for state employees followed by nearby community members. Specifically, **this bill:**

- 1) Requires, on and after January 1, 2027, when the state constructs, acquires, or receives as a gift any office building that can accommodate state employees, or when additions, alterations, or repairs are made to any existing state-owned office building, priority to be given to licensed childcare providers that seek to contract with the director to use a part of the space as a daycare center.
- 2) Requires use of a space described in 1) above by a licensed childcare provider as a daycare center to be subject to terms and conditions set forth by the director, including the cost set by the director under 3) below.
- 3) Requires the space to be made available at a rate to be established by the director based upon the actual cost to the state, the average cost of state-owned space in the area, or the statewide average cost of state-owned space, whichever is less. Authorizes, if the director determines that a lower rent must be charged to ensure the viability of a daycare center, the director to charge a lower rate.
- 4) Prohibits, notwithstanding 3) above, the state from charging rent to licensed childcare providers that use the space as a daycare center if the provider is a nonprofit entity and accepts subsidies.
- 5) Requires space designed within a state-owned office building for the daycare center to comply with the prevailing local and state safety building codes for daycare centers.
- 6) Requires the indoor activity space and outdoor activity space to comply with the requirements in Title 22 of the California Code of Regulations (CCR).
- 7) Authorizes the director to secure space, that is not subject to 1) above, and that is not attached to a state-owned office building, for use as a daycare center run by a licensed childcare provider if funds are made available for those purposes and the director determines that any of the following conditions exist:
 - a) All other physical requirements controlling the development of the daycare center within the state-owned office building cannot be utilized;

- b) It is more cost-efficient for the state to provide for equivalent daycare centers within a reasonable distance of the state-owned office building; or,
 - c) Locating the daycare center within a reasonable distance from the state-owned office building would provide an enhanced facility for the children or would mitigate security concerns.
- 8) Authorizes existing state-owned office buildings to be retrofitted to accommodate a daycare center at the discretion of the director, to the extent that state funds are made available for these purposes.
- 9) Requires priority for enrollment of children in daycare centers to be in the following order:
- a) State employees who work in the state-owned office building;
 - b) All other state employees; and,
 - c) Members of the community with a primary residence within a five-mile radius of the state office building.
- 10) Exempts these provisions from applying to any office buildings used or owned by the state that provide care or 24-hour residential care for patients, inmates, or wards of the state, such as state hospitals and correctional facilities.
- 11) Defines the following terms:
- a) “Day care center” means a child daycare facility other than a family childcare home (FCCH), and includes infant centers, preschools, extended daycare facilities, and schoolage childcare centers, and includes childcare centers; and,
 - b) “Licensed child care provider” means a person who operates a daycare center and is licensed.
- 12) Makes the following findings and declarations:
- a) There is a substantial need to provide quality childcare facilities for state employees and the communities surrounding state-owned buildings;
 - b) Many California families struggle to find the quality and affordable care they need;
 - c) State-owned buildings provide a significant opportunity to provide new space for licensed child care providers in locations that are in proximity to where Californians work and live; and,
 - d) Government Code Section 4564, as added by this act, is necessary for the public purpose of assisting Californian families who are struggling to find quality and affordable child care, and do not constitute a gift of public funds within the meaning of Section 6 of Article XVI of the California Constitution.

EXISTING LAW:

State law:

- 1) Makes the legislative finding and declaration that there is a substantial need to provide adequate childcare facilities for state employees. (Government Code [GOV] § 4560(a))
- 2) Requires adequate space to be designated to meet the childcare needs of state employees within an office building constructed, acquired, received as a gift, or altered by the state that can accommodate at least 700 such employees and if a review of those employees by DGS and the Child Development Programs Advisory Committee indicates that those employees have sufficient need for childcare services for 30 or more children, as specified. (GOV § 4560 (b))
- 3) Specifies the purposes of the California Child Day Care Facilities Act, which include streamlining the administration of childcare licensing and thereby increasing the efficiency and effectiveness of this system; and, encouraging the development of licensing staff with knowledge and understanding of children and childcare needs. (Health and Safety Code [HSC] § 1596.73)
- 4) Requires employee-occupants seeking to establish childcare centers in state office buildings to file as a nonprofit corporation with the Secretary of State and to contract with DGS for use of the space. (GOV § 4560(h)(1))
- 5) Establishes regulations for licensed childcare centers. (Title 22 § CCR)

Federal law:

- 6) Establishes guidelines for the development of childcare centers for federal employees and outlines the responsibilities of the General Services Administration to provide guidance and oversight. (40 United States Code § 590)

FISCAL EFFECT: Unknown, this bill has not been analyzed by a fiscal committee.

COMMENTS: *Licensed Childcare.* The California Child Day Care Facilities Act (Act) governs the licensure, maintenance, and operation of childcare facilities in the state. As of June 2025, California had 13,876 licensed childcare centers and 29,693 licensed FCCHs. The Act and associated regulations in Title 22 of the CCR establish requirements, among other things, related to health and safety standards, staff-to-child ratios, and provider training. The California Department of Social Services' (CDSS) Community Care Licensing Division is responsible for licensing and monitoring childcare facilities throughout the state.

Centers may be part of a large childcare corporation or locally owned programs and are typically located in commercial buildings, schools, religious facilities, or other public or private buildings. Centers may serve infants, toddlers, preschoolers, and school-age children, though separate licenses are required for each age group. Depending on their age, children receive care in separate areas to ensure appropriate supervision and activities.

FCCHs are operated in the licensee's own home, which may be rented, leased, or owned, including homes located in apartment buildings or mobile home parks. FCCHs provide non-

medical care and supervision in a family-like setting with all the daily activities associated with home. FCCHs are categorized into small homes, serving eight or fewer children, or large homes, serving up to 14 children, depending on the size of the childcare group and the ages of the children served.

According to the January 2024 CDSS Child Care Transition Quarterly Report, 158,959 Californian children were enrolled in FCCHs and an additional 124,708 were served in a center in fiscal year 2022-23.

Childcare Access and Affordability. California continues to face a significant shortage of licensed childcare options. In many parts of the state, the number of available licensed childcare slots falls short of the number of children who may need care, particularly for infants and toddlers. Research estimates that approximately 600,000 children between 0 and 5 years of age lack reasonable access to licensed childcare in the state.¹ This limited supply contributes to long waitlists and fewer choices for families seeking care near their homes or workplaces.

At the same time, the cost of childcare remains high relative to many families' incomes. According to the Public Policy Institute of California report *California's Changing Child Care Landscape*, the annual cost of full-time childcare ranges from about \$9,000 and \$24,000 for preschool care and \$11,000 to \$29,000 for infants, depending on the county. In many areas of the state, these costs represent between 6% and 28% of median household income, making childcare one of the largest household expenses for families with young children.²

Research also finds that high costs and limited availability affect families' employment decisions. According to the Stanford Institute for Economic Policy Research brief *The Economics of the Market of Early Childhood Care and Education in California*,³ childcare expenses can consume up to one-fifth or even one-quarter of a household income in some counties, which can lead families to reduce work hours, decline job opportunities, rely on informal care arrangements, or leave the workplace altogether. Access to stable childcare can therefore play an important role in supporting family economic stability and enabling parents to participate fully in the labor market.

Working parents often benefit from childcare options located near their workplace or along their daily commute. Access to reliable childcare supports parents' ability to maintain employment and balance work and caregiving responsibilities. Research suggests that expanding access to childcare can increase parental workforce participation and generate broader economic benefits by enabling more parents, particularly mothers of young children, to remain or enter the workforce. Locating childcare facilities near employment may therefore help reduce travel time for families while supporting workforce stability and productivity.

State Employee Childcare Facilities in State-Owned Buildings. State-owned buildings can present an opportunity to locate childcare facilities near large concentrations of employees. Recognizing this potential, SB 764 (Watson), Chapter 913, Statutes of 1980, required the state to include childcare facilities when it constructs or remodels a state office building that

¹ <https://www.cpip.uci.edu/files/briefs/zero-to-three.pdf>

² <https://www.ppic.org/publication/californias-changing-child-care-landscape-understanding-costs-and-supply/>

³ https://drive.google.com/file/d/1pZLNgy19fY5c-T9QRcIWMxhLCEg9XI_u/view

accommodates at least 700 state employees, if a review determines there is sufficient need to serve at least 30 children. DGS, in consultation with the Child Development Programs Advisory Committee, conducts this review.

Subsequent legislation, SB 831 (Karnette), Chapter 413, Statutes of 1998, authorized DGS to secure off-site childcare facilities if funds are available and if doing so is more cost-effective, would provide a better facility for children, or would address physical or security constraints associated with locating the center within the office building. Existing state office buildings may also be retrofitted to include childcare facilities if funding is available. Any childcare space in a state-owned office building is required to meet state and local safety and building standards for childcare programs, including indoor and outdoor space requirements established in Title 22 regulations.

Existing law authorizes the director to establish the terms for using this space, including rent, financial responsibility, and maintenance. Rent is generally based on the lowest actual cost to the state, the average cost of state-owned space in the area, or the statewide average cost of state-owned space, although the director may charge less if needed to ensure the childcare center operate.

State departments using the building are required to notify employees if space is available for a childcare center prior to occupancy of a new building or completion of renovations. Employees who want to operate a center are required to form a nonprofit organization, deposit two months' rent, and sign a contract with DGS. In addition, employees must navigate childcare licensing requirements and contract with a provider to operate the center. If employees do not complete these steps, the state is authorized to temporarily use the space for other purposes, such as conference rooms, storage, or office space, as long as the space is not permanently changed. If employees later meet the requirements, the state is required to convert the space for childcare use within 180 days.

Children of state employees receive priority enrollment in these childcare facilities. After a center has operated for five years, the director is required to evaluate the childcare needs of employees and the office space needs of the building. If the assessment determines that the building requires additional office space, the director may close the childcare center after providing at least 90 days' notice.

Research suggests that converting existing buildings, including unused office or public facilities, into childcare centers may help increase the number of licensed childcare slots while making better use of available infrastructure. Studies also indicate that expanding childcare capacity often requires investments that lower operating costs for providers and reduce barriers to establishing new childcare sites. Additionally, reducing administrative and operational barriers may support the creation and long-term sustainability of childcare programs.

This bill proposes changes to how childcare centers may be established in state-owned office buildings. Specifically, *this bill*, beginning January 1, 2027, requires the state, when constructing, acquiring, or renovating state-owned office buildings that can accommodate state employees, to prioritize space for licensed childcare providers to operate childcare centers.

Like existing law, *this bill* authorizes the director to establish the terms for the use of the space and requires childcare facilities to comply with applicable state and local building and safety

standards. However, unlike existing law, which requires states employees to form a nonprofit and assume responsibility for establishing and managing the childcare center, *this bill* authorizes the director to contract directly with licensed childcare providers to operate centers in these spaces and to establish the terms for their use.

This bill also requires rental rates to be based on the state's lowest actual cost or comparable state-owned space rates and prohibits charging rent to nonprofit providers that accept subsidies. Additionally, *this bill* authorizes the use of nearby offsite locations when necessary, allows existing buildings to be retrofitted if funding is available, and prioritizes enrollment of children of state employees who work in the building, followed by other state employees and nearby community members.

Author's Statement: According to the Author, "Access to safe, reliable, and affordable child care is essential for working families across California. For many parents, the availability of child care determines whether they can remain in the workforce, support their families, and contribute to their communities. Yet California continues to face a significant shortage of child care options, leaving many families struggling to find care they can trust and afford. This bill takes a practical and compassionate step toward addressing that gap by making better use of existing state resources. By prioritizing space within state-owned office buildings for licensed child care providers, the measure helps expand access to care for both state employees and surrounding communities. At its core, this proposal recognizes a simple truth: when families have access to dependable child care, parents are better able to work, children benefit from safe and supportive environments, and our communities grow stronger."

Equity Implications: *This bill* may improve access to childcare for state employees, which could benefit lower- and moderate-income workers who may otherwise face challenges securing affordable care near their workplace. By allowing licensed providers to operate childcare centers in state-owned buildings and permitting reduced or no rent for nonprofit providers that accept subsidies, *this bill* may help lower operating costs and support the availability of subsidized childcare.

Double referral: Should this bill pass out of this committee, it will be referred to the Assembly Committee on Governmental Organization.

Arguments in Support: Low Income Investment Fund, Child Action, Children Now, Eileen Monahan Consulting, Kristen Anderson Consulting, Little Blossoms Childcare, and Pathways LA writes, "Leveraging existing public space to support child care is a practical and cost-effective strategy to increase supply. Allowing DGS to lease directly to licensed providers removes unnecessary intermediaries, reduces administrative hurdles, and creates a more predictable pathway for providers to establish and operate centers. Prioritizing enrollment for state employees while also allowing providers to serve nearby community members ensures that these facilities support both the state workforce and surrounding neighborhoods."

Arguments in Opposition: None on file.

RELATED AND PRIOR LEGISLATION:

AB 1914 (Schiavo) of the current legislative session, requires cities and counties, beginning with general plan updates on or after January 1, 2028, to integrate childcare into multiple planning elements and encourage zoning, partnerships, facility planning, and emergency

preparedness considerations. *AB 1914 is set to be heard in the Assembly Local Government Committee on March 25, 2026.*

AB 2083 (Jackson) of the current legislative session, establishes the Moreno Valley-Perris Childcare Special District as a dependent special district governed by local city and school district appointees to expand childcare capacity through coordinating planning, facility development, partnerships, and direct service provision, subject to Riverside County oversight and voter-approved long-term funding mechanisms. *AB 2083 is pending before the Assembly Committee on Local Government.*

AB 752 (Ávila Farías), Chapter 164, Statutes of 2025, revised provisions governing collocated daycare centers by clarifying use by right, prohibiting local charges or fees, striking the California Environmental Quality Act exemptions and references to “legally established community amenities,” maintaining compliance with state safety and licensing laws, and updating definitions of multifamily housing, collocated, local jurisdiction, and use by right.

SB 234 (Skinner), Chapter 244, Statutes of 2019, revised statutes regarding licensed FCCHs pertaining to local zoning laws and housing protections.

SB 401 (Pan), Chapter 235, Statutes of 2017, removed the existing limit on the allowable area of indoor space that can be used for childcare within state-owned office buildings.

SB 764 (Watson), Chapter 913, Statutes of 1980, see comments above.

SB 831 (Karnette), Chapter 413, Statutes of 1998, see comments above.

REGISTERED SUPPORT / OPPOSITION:

Support

Low Income Investment Fund, Build Up California (Sponsor)
Child Action INC
Children Now
Eileen Monahan Consulting
Kristen Anderson Consulting
Little Blossoms Childcare
Pathways LA

Opposition

None on file.

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