

Date of Hearing: April 8, 2026

ASSEMBLY COMMITTEE ON GOVERNMENTAL ORGANIZATION

Blanca Rubio, 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 related findings and declarations, including findings and declarations related to a gift of public funds.

**EXISTING LAW:**

- 1) Establishes the California Child Day Care Facilities Act to create a separate licensing category for child day care centers and family day care homes within the existing licensing structure at the California Department of Social Services (CDSS). (Health and Safety Code (HSC) § 1596.70 et seq.)
- 2) Defines “child day care facility” to mean a facility that provides nonmedical care to children under 18 years of age in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual on less than a 24-hour basis. Child day care facilities include day care centers, employer-sponsored childcare centers, and family day care homes. (HSC 1596.750)

- 3) Defines “day care center” to mean a child day care facility other than a family day care home, and includes infant centers, preschools, extended day care facilities, and school age childcare centers, and includes childcare centers with a single license. (HSC 1596.76)
- 4) Prohibits any person or entity operating a child day care facility from providing care or supervision without a valid license from CDSS. (22 CCR 101156(a))
- 5) 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))
- 6) 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))
- 7) Establishes the DGS in the Government Operations Agency for purposes of providing centralized services of state government, as provided.
- 8) Provides that DGS serves the public by providing a variety of services to state agencies through procurement and acquisition solutions; real estate management and design; environmentally friendly transportation; professional printing, design and web services; administrative hearings; legal services; building standards; oversight of structural safety, fire/life safety and accessibility for the design and construction of K-12 public schools and community colleges; funding for school construction; and disability access.
- 9) Authorizes the DGS to enter into contracts on a bid or negotiated basis with manufacturers and suppliers of single source or multisource drugs, and to obtain from them discounts, rebates, or refunds as permissible under federal law.

**FEDERAL LAW:**

- 1) 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:** This bill is keyed fiscal by Legislative Counsel.

**COMMENTS:**

Purpose of the bill. According to the author, “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.”

What problem does this bill solve? According to information provided by the author’s office. “This bill streamlines the process for establishing childcare centers in state-owned buildings by allowing DGS to contract directly with licensed providers for space within state facilities. By eliminating parent-run intermediaries and reducing administrative barriers, the bill makes it easier to open new sites using existing state assets.

The bill prioritizes access for state employees while allowing providers to also serve families in surrounding communities, expanding overall childcare supply. DGS manages a real estate portfolio of approximately 5,000 state-owned and leased properties statewide, as tracked in its Statewide Property Inventory. Leveraging underutilized public space offers a cost-effective way to increase access to affordable, high-quality childcare. By leveraging underutilized public space, this bill offers a practical and cost-effective way to expand childcare capacity without major new construction. It supports workforce participation, improves employee recruitment and retention, and provides greater stability for working families.”

### **Background.**

Licensed childcare. The California Child Day Care Facilities Act (Act) governs the licensure, maintenance, and operation of childcare facilities across the state. As of June 2025, California had 13,876 licensed childcare centers and 29,693 licensed family child care homes (FCCHs). The Act, along with the regulations set forth in Title 22 of the CCR, establishes requirements related to health and safety standards, staff-to-child ratios, provider training, and other operational practices. The CDSS Community Care Licensing Division is responsible for licensing these facilities and conducting ongoing monitoring to ensure compliance statewide.

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.

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 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 operates.

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.

In comparison, this bill, starting January 1, 2027, states that the state must prioritize space for childcare centers in new, acquired, or renovated state office buildings that house employees. Instead of requiring state employees to create and run a nonprofit childcare center, the bill allows the state to contract directly with licensed childcare providers to operate these centers. The state will set terms for using the space, and all childcare facilities must still meet state and local safety and building requirements. Rent must be based on the lowest actual state cost or comparable state space rates. Nonprofit providers that accept subsidies cannot be charged rent. Childcare services can be located offsite nearby if needed. Present buildings may be retrofitted if funding is available. Enrollment priority will be given to children of employees working in the building, followed by other state employees and nearby community members.

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.<sup>1</sup> 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.<sup>2</sup>

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*,<sup>3</sup> 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. Reliable childcare access is linked to higher workforce participation, especially among mothers of young children—and can strengthen the broader economy.

In support. Low Income Investment Fund, Child Action, Children Now, Eilieen 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.”

Double referral. In addition to this Committee, this bill was referred to the Assembly Committee on Human Services, which passed this measure on March 24, 2026, by a vote of 7-to-0.

Related legislation. AB 1914 (Schiavo) of 2026. This bill would require 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. (Assembly Committee on Local Government Committee)

AB 2083 (Jackson) of 2026. This bill would establish 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. (Assembly Committee on Local Government Committee)

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

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

<sup>3</sup> [https://drive.google.com/file/d/1pZLNgyI9fY5c-T9QRcIWMxhLCEg9XI\\_u/view](https://drive.google.com/file/d/1pZLNgyI9fY5c-T9QRcIWMxhLCEg9XI_u/view)

Prior legislation. AB 752 (Farías), Chapter 164, Statutes of 2025. Provided that a daycare center that is colocated with multifamily housing shall be considered a residential use of property and a use by right.

AB 772 (Jackson), Chapter 933, Statutes of 2024. Exempted drop-in childcare centers from requiring a physician's approval of a written health assessment completed by the child's authorized representative upon admission of a child.

AB 2131 (Mullin), Chapter 910, Statutes of 2022. Repealed CDSS ability to implement AB 605 through the adoption of emergency regulations, and instead authorized CDSS to implement and administer these provisions by all-county letter or similar written instructions until regulations are adopted.

AB 605 (Mullin), Chapter 574, Statutes of 2018. Required CDSS, in consultation with stakeholders, to adopt regulations on or before January 1, 2021, to create a single childcare center license to serve infant, toddler, preschool, and school age children, and required all day care centers to be licensed as childcare centers before January 1, 2024. AB 605 required regulations to include certain components.

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.

AB 1897 (Mullin) of 2016. Would have required CDSS, in consultation with stakeholders, to adopt regulations on or before January 1, 2018, to develop and implement a birth to first grade license option for day care centers. (Held in the Assembly Appropriations Committee)

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

Child Action Inc.  
Children Now  
Eileen Monahan Consulting  
Kristen Anderson Consulting  
Little Blossoms Childcare  
Low Income Investment Fund  
Pathways LA

### **Opposition**

None on file

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