ASSEMBLY THIRD READING
AB 2006 (Michelle Rodriguez)
As Amended May 18, 2026
Majority vote

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.

Major Provisions

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.

COMMENTS

State Employee Childcare Facilities in State-Owned Buildings. 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.

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 CCR.

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.

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.″

Arguments 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.″

Arguments in Opposition
None on file.

FISCAL COMMENTS

According to the Assembly Appropriations Committee on May 6, 2026:

1) DGS estimates ongoing General Fund costs of $1.2 million for up to six staff positions to support administrative and oversight functions for an estimated five to 10 new qualifying facilities each year.
2) The California Department of Social Services notes if the bill results in increased childcare provider applications and related licensing duties, additional resources would be needed for state operations.

VOTES

ASM HUMAN SERVICES: 7-0-0
YES: Lee, Castillo, Gipson, Elhawary, Jackson, Solache, Tangipa

ASM GOVERNMENTAL ORGANIZATION: 22-0-0
YES: Blanca Rubio, Davies, Alvarez, Berman, Bryan, Carrillo, Dixon, Fong, Gabriel, Gallagher, Gipson, Macedo, McKinnor, Nguyen, Pacheco, Ramos, Michelle Rodriguez, Solache, Soria, Ta, Valencia, Wallis

ASM APPROPRIATIONS: 11-0-4
YES: Wicks, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache
ABS, ABST OR NV: Hoover, Dixon, Ta, Tangipa

UPDATED

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