
SENATE COMMITTEE ON HUMAN SERVICES

Senator Becker, Chair
2025 - 2026 Regular

Bill No: AB 2006
Author: Michelle Rodriguez
Version: June 24, 2026
Urgency: No
Consultant: Diana Dominguez
Hearing Date: June 29, 2026
Fiscal: Yes

Subject: State government: office buildings: daycare centers

SUMMARY

This bill would authorize a licensed child care provider to contract with the Director of General Services to use space in an office building as a child care center, and require, on and after January 1, 2027, priority to be given to those providers to use space when the state acquires any office building that can accommodate state employees, or when alterations affecting the use of 25% of the building's square footage are made, as specified.

ABSTRACT

Existing Law:

- 1) Establishes the California Child Day Care Facilities Act to create a separate licensing category for child daycare 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) Prohibits a person, firm, partnership, association, or corporation from operating, establishing, managing, conducting, or maintaining a child day care facility in the state without a current valid license. (*HSC 1596.80*)
- 3) Defines "day care center" as a child day care facility other than a family day care home, and inclusive of infant centers, preschools, extended day care facilities, and school-age child care centers, and includes child care centers with a single license. (*HSC 1596.76*)
- 4) Provides licensing requirements specific to day care centers. (*HSC 1596.90 et seq.*)
- 5) Finds and declares that there is a substantial need to provide adequate childcare facilities for state employees. (*Government Code [GOV] 4560(a)*)
- 6) Requires, when the state constructs, acquires, or receives as a gift any office building that can accommodate 700 or more state employees, or when additions, alterations, or repairs are made to any existing state-owned office building that can accommodate 700 or more state employees, and the additions, alterations, or repairs both change and affect the use

of 25% of the net square feet area of the building and include the addition to, alteration of, or repair of the first floor, adequate space to be designated within the building to meet the child care needs of those employees, if a review of employees slated to occupy the building shows sufficient need for child care services for 30 or more children. Requires the review to be conducted by the Department of General Services and the Child Development Programs Advisory Committee. (GOV 4560(b))

- 7) Authorizes the Director of General Services to secure space in any adequate facility for the same purposes if funds for the offsite facilities are made available and the director determines that certain conditions exist, as specified. (GOV 4560(c))
- 8) Authorizes existing state office buildings to be retrofitted, at the discretion of the Director of General Services, to accommodate a child care facility. Provides that state funds required for the retrofitting shall be subject to regular budgetary procedures and approvals. (GOV 4560(d))
- 9) Provides that space designed within a state-owned office building for the child care facility shall comply with the prevailing local and state safety building codes for child care facilities. Provides that the indoor activity space and outdoor activity space shall comply with requirements in Title 22 of the California Code of Regulations. (GOV 4560(e-f))
- 10) Provides that utilization of the space shall be subject to terms and conditions set forth by the Director of General Services. The terms shall include payment of rent, proof of financial responsibility, and maintenance of space. The space shall be made available to employees who wish to establish child care facilities at a rate to be established by the Director of General Services 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. If, however, the director determines that a lower rent must be charged to ensure the viability of a child care facility, the director may charge a lower rate. (GOV 4560(g))
- 11) Requires the department or departments occupying the building to notify the employee-occupants in writing of the availability of space to be used for a child care facility no earlier than 180 days prior to the projected date of occupancy of a new building or space provided as the result of additions, alterations, or repairs to an existing state-owned building, and the additions, alterations, or repairs that both change and affect the use of 25% of the net square feet area of the building and include the addition to, alteration of, or repair of the first floor. (GOV 4560(h)(1))
- 12) Provides, if within 30 days after full occupancy of a new office building or 30 days after the completion of additions, alterations, or repairs to an existing state-owned office building, the employee-occupants so desiring have not filed an application with the Secretary of State as a nonprofit corporation for the purpose of organizing a child care center, deposited two months' rent in a commercial or savings account, and entered into a contract with the Department of General Services, the space may be used for any other purpose, as long as no permanent alteration of the space occurs. (GOV 4560(h)(1))

- 13) Provides that the space for child care shall be held for the employee-occupants' nonprofit corporation only as long as they pay the monthly rent and meet the terms set forth in the contract. Payment of rent shall commence 30 days after full occupancy of a new office building or 30 days after completion of additions, alterations, or repairs, as specified. *(GOV 4560(h)(1))*
- 14) Provides, if at a later date the employee-occupants file an application with the Secretary of State as a nonprofit corporation for the purpose of organizing a child care facility, deposit two months' rent in a commercial or savings account, and notify the Director of General Services of those actions, then the space shall be reconverted for child care purposes within 180 days of the notice. *(GOV 4560(h)(2))*
- 15) Provides that children from families in which at least one parent or guardian is a state employee shall be given priority admission over other children to the child care facility. *(GOV 4560(i))*
- 16) Requires the Director of General Services, when a child care center within a state-owned office building has been operative for five years, to assess the child care needs of the state employees using the center and the office space needs of the building within which the center is located. If the assessment demonstrates a greater need for office space than for child care, the Director of General Services may close the child care center. Ninety days' written notice of the closure shall be given to the director or head teacher of the center. *(GOV 4560(j))*
- 17) Provides that the above provisions shall not apply to buildings that provide care or 24-hour residential care for patients, inmates, or wards of the state, such as state hospitals and correctional facilities. *(GOV 4560(k))*
- 18) Provides that the above provisions shall not apply to the design of new state office buildings, additions, alterations, or repairs of existing state-owned office buildings, where the Public Works Board has approved the commencement of the working drawing phase of the new state office building, as specified. *(GOV 4562)*
- 19) Provides that the above provisions are not applicable to any state-owned transportation facility. Authorizes space at a state-owned transportation facility to be leased, as specified, to a child care operator who has obtained licensure as required by Section 1596.80 of the Health and Safety Code. Provides that first priority for child care services provided by the center shall be given to children of state employees who work at the transportation facility and second priority shall be given to children of users of the transportation facility. Provides that no state funds shall be provided to any child care operator at a state-owned transportation facility unless certain conditions are met. *(GOV 4563)*
- 20) Authorizes the Director of General Services to lease real property owned by the State for a period not to exceed five years. *(GOV 14670(a)(1))*

This Bill:

- 1) Finds and declares that 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.
- 2) 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, and the additions, alterations, or repairs both change and affect the use of 25% of the net square foot area of the building and include addition to, alteration of, or repair of the first floor, priority to be given to licensed child care providers that seek to contract with the Director of General Services to use a part of the space as a daycare center.
- 3) Provides that use of a space by a licensed child care provider as a daycare center shall be subject to terms and conditions set forth by the Director of General Services, including the cost set by the director.
- 4) Provides that the space shall be made available at a rate to be established by the Director of General Services 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. However, if the director determines that a lower rent must be charged to ensure the viability of a daycare center, the director may charge a lower rate.
- 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. Requires the indoor and outdoor activity spaces to comply with the requirements in Title 22 of the California Code of Regulations.
- 6) Authorizes the Director of General Services to secure space that is not attached to a state-owned office building for use as a daycare center run by a licensed child care 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.
 - 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.
- 7) Authorizes existing state-owned office buildings to be retrofitted to accommodate a daycare center at the discretion of the Director of General Services, to the extent that state funds are made available for these purposes.

- 8) Provides that priority for enrollment of children in daycare centers established pursuant to this bill shall be in the following order:
 - a. State employees who work in the state-owned office building.
 - b. All other state employees.
 - c. Members of the community with a primary residence within a five-mile radius of the state office building.
- 9) Provides that this bill shall not apply 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.
- 10) Provides that this bill shall not apply to facilities owned, operated, or occupied by the California Highway Patrol.
- 11) Defines the following terms for purposes of this bill:
 - a. “Day care center” means a child day care facility other than a family day care home, and includes infant centers, preschools, extended day care facilities, and school-age child care centers, and includes child care centers with a single license, pursuant to Section 1596.76 of the Health and Safety Code.
 - b. “Licensed childcare provider” means a person who operates a daycare center and is licensed pursuant to the California Child Day Care Act or a person who plans to apply for a child care license.

FISCAL IMPACT

According to the Assembly Appropriations Committee:

- 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. DGS also notes potential revenue losses in the millions of dollars as a result of the bill’s requirement that it not charge rent to licensed childcare providers that are nonprofit entities and accept subsidies.
- 2) The 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.

BACKGROUND AND DISCUSSION

Purpose of the Bill:

According to the author, “Affordable and dependable child care is critical for working families throughout California. For countless parents, access to quality child care directly impacts their ability to stay employed, provide for their families, and remain active members of their communities. Despite this need, California continues to experience a severe shortage of accessible and affordable child care options, forcing many families to navigate impossible choices.

“This bill offers a practical, commonsense approach to helping address that shortage by utilizing existing state resources more effectively. By allowing licensed child care providers to operate within state-owned office buildings, the measure expands access to safe and reliable care for state employees as well as nearby families in surrounding communities. Ultimately, the bill is rooted in the understanding that strong child care systems strengthen families, support children’s development, and help build a more stable and productive workforce for California.”

California Child Day Care Facilities Act

The California Child Day Care Facilities Act and Title 22 of the California Code of Regulations establish, among other things, general health and safety requirements, background check requirements, staff-to-child ratios, and documentation for each child enrolled in a child care program. CDSS is responsible for licensing and regulatory oversight of child day care providers to ensure programs are upholding all applicable health and safety standards. CDSS conducts orientations, pre-licensing inspections, unannounced facility inspections, complaint investigations, consultations, education and technical support, and follow-up inspections. A child care center or family child care home must be licensed to operate, regardless of whether it accepts subsidy payment, private pay, or both. This bill pertains to private child care centers operating in state-owned buildings.

Employee-Organized Child Care Centers in State Buildings

If a review of employees working in a state office building that can accommodate 700 or more employees shows sufficient need for child care services for 30 or more children, existing law requires adequate space to be designated for the purpose of establishing an employee-organized child care center. The law authorizes employees to form a nonprofit corporation, open a bank account, and contract directly with the Department of General Services for use of space in a state office building as a child care center. This must be done within 30 days of full occupancy of a new office building or after the completion of additions, alterations, or repairs to an existing office building. The employee-organized nonprofit corporation must separately contract with child care providers to obtain licensure and provide child care services. The law provides that utilization of the space shall be subject to terms established by the Director of General Services, including the cost of rent. State law authorizes the Director of General Services to lease real property that belongs to the state for a period of up to five years. When an employee-organized child care center has been operative for five years, the Director of General Services must assess the child care needs of state employees using the center and office space needs. If there is a greater need for office space than for child care, the Director of General Services may close the child care center.

According to the Department of General Services, as of June 2026, the Department of General Services is contracted with 18 employee-organized child care centers across the state. Of these,

13 are located in facilities managed by the Department of General Services, and five are located in facilities managed by other state agencies. According to DGS, other than child care centers, other common uses of first floor spaces include lobbies, cafeterias, auditoriums, conference rooms, retail space, vending machines, security desks, public counters, bicycle lockers, and restrooms.

This bill would provide an alternative to employee-organized child care centers by allowing a licensed child care provider to contract directly with the Department of General Services for purposes of establishing a child care center in a state-owned office building. This bill would apply to any office building the state constructs, acquires, or receives as a gift on and after January 1, 2027, or when additions, alterations, or repairs are made to any existing state-owned office building and the additions, alterations, or repairs both change and affect the use of 25% of the net square foot area of the building and include addition to, alteration of, or repair of the first floor. Whereas current law for employee-organized child care centers applies to any state-owned office building that can accommodate 700 or more state employees, this bill makes no such requirement. This bill would provide that children shall be prioritized for enrollment in the following order: state employees who work in the state-owned office building, all other state employees, and members of the community with a primary residence within a five-mile radius of the state office building.

Related/Prior Legislation:

SB 401 (Pan, Chapter 235, Statutes of 2018) required indoor and outdoor activity spaces at a child care facility in a state-owned building to comply with requirements in Title 22 of the California Code of Regulations.

SB 831 (Karnette, Chapter 413, Statutes of 1998) authorized the Director of General Services to secure offsite state employee child care facilities, if funds are available, when it is more cost-efficient to provide equivalent facilities within a reasonable distance of the place of employment, or when locating the facility offsite would provide an enhanced facility for the children or mitigate security concerns.

COMMENTS

This bill seeks to provide more opportunities for child care centers to be established in state-owned office buildings by allowing a licensed child care provider to contract directly with the Department of General Services. Current law allows employees to form and manage a nonprofit corporation to contract separately with the Department of General Services and with a licensed child care provider. According to the bill sponsor, employees organized as a nonprofit corporation are responsible for managing the business affairs for the child care center, such as hiring child care staff and raising funding for facility repairs. Not only are these responsibilities taxing, but due to attrition of children as they age out of child care, there is inherent turnover of the parent employees involved in the nonprofit corporation. This bill would allow a licensed child care provider contracted with the Department of General Services to manage those business affairs themselves. By requiring state employees to be prioritized for child care enrollment, followed by people who live within a five-mile radius, this bill seeks to increase the availability of child care for all community members, not just state employees.

This bill does not specify whether an existing employee-organized child care center may transition to the new model established by this bill. The author may wish to require the Department of General Services to develop guidance for how a child care center can convert from an employee-organized nonprofit corporation contracting model to a licensed child care provider contracting model.

PRIOR VOTES

| | |
|---------------------------------------------|--------|
| Senate Governmental Organization Committee: | 13 - 0 |
| Assembly Floor: | 77 - 0 |
| Assembly Appropriations Committee: | 11 - 0 |
| Assembly Human Services Committee: | 7 - 0 |

POSITIONS

Support:

- Low Income Investment Fund, Build Up California (Sponsor)
- A Child's Place Intentional Learning & Emotional Informed Studio
- A Child's Place Intentional Learning
- Brion Economics, INC.
- Build Up San Mateo County
- California Coalition for Community Investment (CCCI)
- Cameo Network
- CDC Small Business Finance
- Child Action
- Children Now
- Consortium for Early Learning Services
- Crystal Stairs, INC.
- Eileen Monahan Consulting
- Kristen Anderson Consulting
- Little Blossoms Childcare
- Long Beach Day Nursery
- Low Income Investment Fund
- Para Los Ninos
- Pathways LA
- Seeds of Tomorrow Preschool
- Thriving Families California (TFC)
- YMCA of San Diego County

Oppose:

None received

-- END --