SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2006 (Michelle Rodriguez) - State government: office buildings: daycare centers

Version: June 24, 2026
Urgency: No
Hearing Date: August 3, 2026

Policy Vote: G.O. 13 - 0, HUMAN S. 5 - 0
Mandate: No
Consultant: Janelle Miyashiro

Bill Summary: AB 2006 requires the state to prioritize space in newly constructed, acquired, or renovated state-owned office buildings for licensed childcare providers to operate daycare centers, as specified.

Fiscal Impact:
- The Department of General Services (DGS) estimates ongoing costs of $1.25 million (General Fund) for up to six permanent personnel years (PYs) (in the Associate Real Estate Officer or Senior Real Estate Officer classifications) to support administrative and oversight functions for a projected five to 10 new qualifying facilities each year.
- The Department of Social Services (DSS) estimates ongoing costs of $551,000 (General Fund) for two PYs (1.0 Licensing Program Analyst and 1.0 Licensing Program Manager) to oversee an increase in childcare provider license applications.

Background: State-owned buildings offer an opportunity for daycare facilities near large employee populations. SB 764 (Watson, Chapter 913, Statutes of 1980) required the state to include daycare facilities when constructing or remodeling office buildings housing at least 700 employees, provided a DGS review finds sufficient need to serve 30 or more children.

Subsequent legislation, SB 831 (Karnette, Chapter 413, Statutes of 1998) authorized DGS to secure off-site daycare 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 daycare facilities if funding is available. Any daycare facility space in a state-owned office building is required to meet state and local safety and building standards for daycare programs, including indoor and outdoor space requirements established in Title 22 regulations.

The director of DGS sets lease terms—including rent, maintenance, and financial responsibility—with rent generally based on the lowest actual cost or average cost of state-owned space in the area, though reduced rates are permitted to keep centers viable.

Before occupying a new or renovated building, departments must notify employees of available daycare space. Interested employees must form a nonprofit, pay two months' rent, sign a DGS contract, obtain a childcare license, and contract with a provider. If employees don't meet these requirements, the space may be used temporarily for other purposes—but cannot be permanently repurposed—and must be converted to childcare within 180 days once requirements are met.

State employees' children receive enrollment priority. After five years of operation, the Director must evaluate both childcare and office space needs; if additional office space is required, the center may be closed with at least 90 days notice.

Proposed Law:

- Requires DGS, beginning January 1, 2027, to give priority to licensed childcare providers seeking to contract for daycare space when the state:
  - Constructs, acquires, or receives as a gift any office building that accommodates state employees.
  - Makes additions, alterations, or repairs to an existing state-owned office building that both affect the use of at least 25 percent of the building's net square footage and include modifications to the first floor.
- Provides that use of the space by a licensed childcare provider shall be subject to terms set forth by the DGS.
- Requires the space be made available at a rate established by DGS 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 DGS determines that a lower rent must be charged to ensure the viability of a daycare center, DGS may charge a lower rate.
- Requires the space designed for the daycare center to comply with the prevailing local and state safety building codes for daycare centers.
- Authorizes DGS to secure space, that is not subject to the other provisions of this bill, 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 DGS determines that any of the following conditions exist:
  - All other physical requirements controlling the development of the daycare center within the state-owned office building cannot be utilized.
  - It is more cost-efficient for the state to provide for equivalent daycare centers within a reasonable distance of the state-owned office building.
  - 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.
- Provides that existing state-owned office buildings may also be retrofitted to accommodate a daycare center at the discretion of DGS, to the extent that state funds are made available for these purposes.
- Provides that priority for enrollment of children in daycare centers established under this bill shall be in the following order:

  1. State employees who work in the state-owned office building.

2. All other state employees.

3. Members of the community with a primary residence within a five-mile radius of the state office building.

- Exempts from these provisions any state office buildings that provide 24-hour residential care for patients, inmates, or wards of the state (such as state hospitals and correctional facilities), as well as facilities owned, operated, or occupied by the California Highway Patrol.

- States legislative findings and declarations.

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