THIRD READING

Bill No: AB 2006
Author: Michelle Rodriguez (D), et al.
Amended: 6/24/26 in Senate
Vote: 21

SENATE GOVERNMENTAL ORG. COMMITTEE: 13-0, 6/9/26
AYES: Rubio, Valladares, Archuleta, Ashby, Blakespear, Cervantes, Dahle, Ochoa Bogh, Padilla, Richardson, Smallwood-Cuevas, Wahab, Weber Pierson
NO VOTE RECORDED: Alvarado-Gil, Hurtado

SENATE HUMAN SERVICES COMMITTEE: 5-0, 6/29/26
AYES: Becker, Ochoa Bogh, Laird, Pérez, Weber Pierson

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/13/26
AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 77-0, 5/26/26 - See last page for vote

SUBJECT: State government: office buildings: daycare centers

SOURCE: Build Up California
Low Income Investment Fund

DIGEST: This bill (1) 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; (2) authorizes the Director of the Department of General Services (DGS) to establish lease terms and set rental rates, including reduced rent, and (3) prioritizes enrollment of children for state employees who work in the building, followed by nearby community members.

ANALYSIS:

Existing law:

1) Establishes the California Child Day Care Facilities Act to create a separate licensing category for child daycare centers and family daycare 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.

5) Requires an employee-occupant 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.

6) Requires adequate space to be designed 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 those employees have sufficient need for childcare servicers for 30 or more children, as specified.

7) Establishes 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; disability access.

This bill:

1) Requires that 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 when the additions, alterations, or repair 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 be given to licensed childcare providers that seek to contract with DGS to use a part of the space as a day care center.

2) 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.

3) Requires the space designed for the daycare center to comply with the prevailing local and state safety building codes for daycare centers.

4) 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:

   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.

5) 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.

6) Provides that priority for enrollment of children in daycare centers established under 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.

7) 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.

8) Provides that the provisions of this bill do not apply to facilities owned, operated, or occupied by the California Highway Patrol.

Background

Author Statement. According to the author's office, "access to safe, reliable, and affordable childcare is essential for working families across California. For many parents, the availability of childcare 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 childcare 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 childcare providers, the measure helps expand access to care for state employees and surrounding communities."

Daycare Facilities in State-Owned Buildings. 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.

This bill proposes changes to how childcare centers may be established in state-owned office buildings. 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 state 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. Additionally, this bill authorizes the use of nearby offsite locations, when necessary, and 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.

Licensed Childcare. Childcare facilities in California are regulated under the California Child Day Care Facilities Act, which – along with Tittle 22 of the

California Code of Regulations – sets rules for licensing, health and safety, supervision ratios, and staff training requirements. The Community Care Licensing Division within CDSS handles licensing oversight across the state. California has 13,876 licensed childcare centers and 29,693 licensed family childcare homes (FCCHs) as of June 2025.

Childcare centers can range from large corporate-run programs to small local operations and are housed in a variety of settings such as schools, churches, or commercial spaces. They may enroll children from infancy through school age, but each age group requires its own license, and children are grouped separately to ensure age-appropriate care and supervision.

FCCHs by contrast, operate out of the provider's residence – whether owned, rented, or leased – and can include apartments or mobile homes. They offer home-like environment with everyday domestic activities rather than clinical or institutional care. These homes are classified by size: small FCCHs serve up to eight children, while large FCCHs can accommodate up to 14, with capacity depending on the ages of the children enrolled. In the 2022-23 fiscal year, roughly 159,000 children attended FCCHs and around 125,000 were enrolled in centers, per the January 2024 CDSS Child Care Transition Quarterly Report.

Prior/Related Legislation

AB 1914 (Schiavo, 2026) requires cities and counties to adopt or integrate a childcare plan into the next adoption or revision of the general plan by January 1, 2033, to address the childcare needs of the jurisdiction, and authorizes cities and counties to designate an existing childcare plan as compliant. (Pending in the Assembly Appropriations Committee Suspense File)

AB 2083 (Jackson, 2026) would have established the Moreno Valley-Perris Childcare Special District for a period of five years for the purpose of, among other things, expanding childcare capacity and access through the development, coordination, and operation of universal childcare programs. (Held in the Assembly Appropriations Suspense File)

AB 752 (Farías, Chapter 164, Statutes of 2025) provides that a daycare center that is co-located 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.

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, 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 Suspense File)

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee, 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.

Additionally, The Department of Social Services 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.

SUPPORT: (Verified 8/13/26)

Build Up California (Co-source)
Low Income Investment Fund (Co-source)
A Child’s Place Intentional Learning & Emotional Informed Studio
Brion Economics, Inc.
California Coalition for Community Investment
Cameo Network
CFT – a Union of Educators & Classified Professionals, AFT, AFL-CIO
CDC Small Business Finance
Child Action Inc.
Children Now
City of Redwood City
Crystal Stairs Inc.
Consortium for Early Learning Services

Eileen Monahan Consulting
First 5 California
Kristen Anderson Consulting
LEAP
Legislative Action Committee of the Santa Clara Co. School Boards Association
Little Blossoms Childcare
Long Beach Day Nursery
Low Income Investment Fund
Para Los Ninos
Pathways LA
Seeds of Tomorrow Preschool
Thriving Families California
YMCA of San Diego

OPPOSITION: (Verified 8/13/26)

None received

ARGUMENTS IN SUPPORT: According to Build Up California, "California faces a significant childcare shortage driven by a lack of facilities, workforce constraints, and insufficient access to affordable care. Despite recent state investments in childcare infrastructure, demand continues to far exceed available supply, with only a fraction of eligible children receiving subsidized services. For many families, the cost of care consumes a substantial portion of household income. Limited access to reliable childcare also creates challenges for workforce participation, recruitment, and retention across both the public and private sectors. Addressing this gap will require a range of strategies, and expanding the availability of suitable facilities is a critical piece of the solution to help close the growing divide between demand and supply. Leveraging existing public space to support childcare is a practical and cost-effective strategy to increase supply."

ASSEMBLY FLOOR: 77-0, 5/26/26
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-

Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Irwin, Muratsuchi, Celeste Rodriguez

Prepared by: Felipe Lopez / G.O. / (916) 651-1530
8/14/26 13:46:50

****** END ******