

ASSEMBLYMAN
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22ND DISTRICT

AB 318 – Streamlining Child Care Licensing

SUMMARY

Assembly Bill 318 (AB 318) will modernize the licensing process for child day care facilities by allowing credit card payments for initial application and annual licensing fees. The bill will also require DSS to accept electronic applications for licensure by 2027.

BACKGROUND

Under the California Child Day Care Facilities Act, DSS licenses and regulates daycare facilities. Currently, providers must pay initial application fees using limited methods, and applications are submitted by mail or in person. This outdated system creates delays and unnecessary hurdles for new providers.

Small businesses, including daycare providers, often face cash flow challenges. Credit card payments provide flexibility, allowing providers to [pay fees immediately](#) without waiting for checks to clear. According to the Federal Reserve, credit and debit cards account for [75% of all non-cash transactions](#), reflecting a shift toward digital payments. Additionally, checks pose security risks, as the Association for Financial Professionals reports they are the most [vulnerable payment method](#), while credit cards offer greater fraud protection.

WHY THIS BILL MATTERS

Updating the child care provider licensing process by expanding payment options will reduce administrative burdens and delays. Providers who are disproportionately impacted by geographic barriers, those without reliable transportation, and individuals balancing work and family responsibilities will have greater flexibility in submitting their applications and payments.

Expanding electronic submission options also improves efficiency by reducing paperwork processing times and ensures non-English-speaking providers have more time to complete applications accurately. A modernized licensing system will help address California’s childcare shortage by making it easier for new providers to enter the field.

IF ENACTED INTO LAW

If passed, AB 318 will allow child day care facilities to pay their initial application fees via credit card in addition to existing methods. This bill will streamline the licensing process while ensuring continued oversight and compliance with state regulations.

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