



February 2, 2017

The Honorable Holly Mitchell, Chair
 Senate Budget Committee
 State Capitol Building, Room 4203
 Sacramento, CA 95814

The Honorable Phil Ting, Chair
 Assembly Budget Committee
 State Capitol Building, Room 6026
 Sacramento, CA 95814

The ECE Coalition is a partnership of early childhood education advocacy and service organizations working together to secure access to high quality early learning and care for California’s low-income children and families.

The Administration recently announced the largest spending plan in California history and yet reneges on critical commitments to our state’s most vulnerable children and families. Leaders last year negotiated a multi-year plan to address the reimbursement rate crisis facing early learning providers and make steady progress toward the state’s long-term goal of preschool access for all low-income children. The 2017-2018 budget proposal not only breaks this significant promise, but fails to recognize the urgent need to further stabilize and strengthen our early care and education system.

The [California Budget and Policy Center](#) reports that a typical single mother in California would have to spend two-thirds of her paycheck to cover child care costs. More than 1.2 million children eligible for subsidized child care and preschool do not receive services, yet state programs are still funded 20 percent below pre-recession levels. Making matters worse, two parents working full-time minimum-wage jobs now earn “too much” to qualify for child care assistance, despite staggering housing costs and other economic pressures.

New data indicates not investing in early care and learning may actually slow long-term economic growth in California. Researchers at the University of Southern California and the University of Chicago and [Nobel Prize-winning economist James Heckman](#) found that high-quality early childhood development programs support economic mobility for two generations by freeing working parents to increase wages over time, while their children develop a broad range of foundational skills for lifelong success.

By freezing the commitments made in last year's budget, as well as negating much needed additional investment, the budget proposal ignores well established research and strong public opinion on the value of early care and education. The ECE Coalition respectfully urges you to champion the following priorities in the coming months:

1. *Ensure Access and Affordability*

- Enact the 2016-2017 budget commitment to incrementally raise both the Regional Market Rate (RMR) and the Standard Reimbursement Rate (SRR) to keep pace with new minimum wage increases, including last year's full 10% increase to the SRR, and begin the regionalization of the SRR;
- Adopt widely supported child care eligibility policies such as 12-month eligibility periods, income eligibility guidelines based on current State Median Income (SMI) data and increased exit eligibility levels; and
- Increase funding for the General Child Care and Alternative Payment programs to ensure flexible child care spaces are available to more infants and toddlers, enact the prior commitment to expand the number of spaces in the State Preschool Program, and adopt minor policy changes to ensure new spaces are utilized and preserve parent choice in our mixed delivery system.

2. *Strengthen Infrastructure to Support Quality and Efficiency*

- Ensure more children and providers benefit from quality improvement and workforce development initiatives by expanding the QRIS block grant so communities have more resources and flexibility to address local needs; and
- Fund the second phase of the California Resource & Referral Database, www.mychildCareplan.org to allow automated data syncing across the state and ensure it is easy for families to use. These steps are a necessary cornerstone for a comprehensive early learning data system that integrates a workforce registry and Centralized Eligibility List (CEL).
- Consider the Administration's policy changes closely once we review Budget Trailer Bill language to determine their potential impact and any modifications that may or may not be necessary.

Early care and education is critical to the current and long-term economic and education viability of California. Given the tremendous unmet need for child care among eligible families and the growing pressure on providers to meet minimum wage increases and the rising costs of quality care, now is not the time to assume lower than projected revenues and “pause” investments in the state’s early learning system. We look forward to partnering with you to ensure that that our youngest children and families are prioritized in this year’s budget.

Sincerely,
ECE Coalition

Cc: Chair, California Legislative Women’s Caucus