



January 29, 2019

The Honorable Holly Mitchell, Chair  
 Senate Budget Committee  
 State Capitol Building, Room 5050  
 Sacramento, CA 95814

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

Dear Chair Mitchell and Ting,

The Early Care and Education (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 all of California's low-income children and families, particularly families of color.

We are excited by the bold initiatives put forward in the 2019-2020 Governor's Budget proposal that prioritize our youngest children and their families. This budget makes it clear that this Administration understands the value of early care and education opportunities for the care, development, and learning of our state's youngest children.

The Governor has proposed significant investments of one-time funds to lay a strong foundation for the state's ECE infrastructure. Notably, the budget provides \$500 million in one-time funding to expand child care facilities and provide training for the ECE workforce. There are currently shortages in these areas that are

contributing significantly to limiting access to ECE services. The budget also makes additional investments to increase full-time State Preschool spaces and a commitment to move the state towards providing Universal Preschool to all low-income four-year olds. These proposals will significantly expand the capacity of the ECE system to serve more of the state's eligible children.

The Governor's budget recognizes the need to develop a long-term, comprehensive plan to achieve quality, affordable subsidized child care and universal preschool in the state and provides resources to jump-start this important conversation. We also applaud the commitment to expand the Paid Family Leave program, which acknowledges the critical importance of parental bonding during the first six months of a child's life and, during this formative period, fortifies parents as a child's first and most important teacher.

Lastly, we are deeply appreciative that the budget focuses on the state's low-income families and recognizes that ECE programs are an essential part of "cradle to career" opportunities and strategy to combat child poverty in the state. Many of the state's low-income working families work in jobs meeting the demands of our 24/7 economy. Access to child care options that meet their unique needs, such as non-traditional work schedules, is a key component to addressing the inter-generational cycles of poverty by allowing parents to work and create opportunities for their families.

While the budget proposal makes substantial gains in expanding and strengthening care for children during the first few months of life through expanded Paid Family Leave, and for four-year-old children through investments towards universal preschool, child care for children under three, where the unmet need is greatest, is still largely missing. There is a severe undersupply of infant and toddler care in the state that leaves too many families struggling to find care and not be able to return to the workforce.

We respectfully request legislators to support the Governor's budget and include significant funds for more child care spaces to provide relief for working families and to ensure our youngest children receive safe and nurturing care they need to thrive. Children will be ready for school, parents will be able to work and provide for their family's needs, and our communities will grow stronger.

A fundamental pillar in laying a strong foundation for the state's ECE infrastructure is reimbursement rate reform, which needs to be addressed this year. The state's current bifurcated reimbursement rate system limits access to care, fails to maximize program quality, and forces many child care providers out of business because it does not cover the true cost of providing care or supporting a fairly paid workforce. It is crucial to adopt a policy in this year's budget that will begin the process of developing a single, regionalized reimbursement rate system, since this reform will take several years to achieve and implement. To create a stable and more effective ECE system and increase workforce retention rates, our state needs to transition to a reimbursement rate system that will better meet the needs of California's young children, their families, and their teachers.

We look forward to working with the Legislature and this Administration to advance a holistic package that strengthens and expands our early care and education system to meet the needs of California's young children and their families, to close the opportunity gap for families of color, and to make smart one-time and ongoing investments to ensure our system can bring stability and continuity to our most vulnerable families.

Cc: Members, Assembly Budget Subcommittee 2 on Education Finance  
Members, Senate Budget and Fiscal Review Subcommittee 1 on Education