



May 17, 2021

Governor Newsom
 State of California
 State Capitol
 Sacramento, CA 95814

Tony Thurmond
 State Superintendent of Public Instruction
 1430 N Street, Suite 5000
 Sacramento, CA 95814

Pro Temp Atkins
 California State Senate
 State Capitol, Room 205
 Sacramento, CA 95814

Speaker Rendon
 California State Assembly
 State Capitol, Room 219
 Sacramento, CA 95814

The Early Care and Education (ECE) Coalition is committed to improving the lives and economic security of California families, children, and child care providers.

We are disappointed the Administration's 2021-22 May Revise did not include a rate increase for child care providers at a time much attention is on closing the pay equity gap and combatting systematic racism. Child care providers kept their doors open through this pandemic so that doctors, nurses, grocery clerks, delivery drivers, and other essential workers could keep our economy from collapsing while many Californians had to shelter in place. Child care providers, mainly Black, Brown, and immigrant women, risked their own lives, economic security, and families' health to ensure our state's economy and health care system could function. When child care providers are forced to close their doors, our communities lose a valuable asset and the providers – mostly women of color – lose their livelihood.

While we appreciate the inclusion of 100,000 child care spaces, if this 2021-22 budget is intended to move California into the future, we believe nothing short of 200,000 spaces will suffice. As we turn our attention to economic recovery, child care is a NECESSITY for building a strong economy, and we must treat these providers with dignity and respect.

The ECE coalition is urging state leaders to allocate:

PROVIDER SUPPORTS	
PROVIDER RATE INCREASE	Senate, Assembly, and Legislative Women's Caucus Proposals – Adopted 2018 RMR Survey for all providers at 85% of SMI
PROFESSIONAL DEVELOPMENT	Assembly Proposal & May Revise - \$250 million Block Grant and \$25 million CCIP
PROVIDER STABILIZATION GRANTS FOR ALL PROVIDERS	Release the <u>\$2.3 billion in Child Care and Development Funds that California received</u> as required by the <u>guidance issued by the Administration for Children and Families on May 10, 2021</u> . ¹ Providers hold harmless & backfill for lost family fees through September 2024.
ACCESS	
CHILD CARE SPACES	Senate and Legislative Women's Caucus Proposals – 200,000 spaces
FAMILY FEES	Senate, Assembly and Legislative Women's Caucus Proposals - Waive all family fees for existing and new spaces through September 2024
FACILITIES & NEW PROVIDER GRANTS	\$825 million

¹ U.S. Dep't of Health & Human Svcs., Information Memorandum ARP Act Child Care Stabilization Funds, CCDF-ACF-IM-2021-02, May 10, 2021, <https://www.acf.hhs.gov/sites/default/files/documents/occ/CCDF-ACF-IM-2021-02.pdf>; see also Child Care Law Center, Child Care FUNDing in the American Rescue Plan Act of 2021 Memorandum and Child Care Funding in the American Rescue Plan of 2021 Chart, Mar. 2021, <https://www.childcarelaw.org/federal-child-care-funding/>.

SYSTEM FRAMEWORK	
DIRECT DEPOSIT FOR PROVIDERS	May Revise - \$6 million
COVID RELIEVE FOR RESOURCES & REFERRAL AGENCIES	\$30 million
WAIVING CHILD CARE PROVIDER LICENSING FEES	\$10 million
AP TECH UPGRADES	\$30 million
DSS DEVELOPED EQUITY INDEX	\$5 million
CLEANING THE WAITING-LISTS	\$10 million
R&R RATE INCREASE	\$20 million

Investing in Child Care Grows the Economy

This child care funding proposal will give child care providers and programs a chance to recover, and it will give parents peace of mind. “For many women and people, child care is the prerequisite for parents’ ability to work, and for many others it is their work,” said Vice President Kamala Harris. More than 2.3 million U.S. women have left the labor market since the pandemic began, many citing child care as the reason. 1 in 4 women are considering leaving the workforce or downshifting their careers due to the impact of COVID-19. Without significant investments in our child care system, these women will simply not be able to return to work.

Waiving Family Fees

In California, the average family [spends 1/3 of their income on child care for two children](#). Subsidized child care can still cost families far more than their budget allows, especially families living paycheck to paycheck. Waiving family fees immediately puts money back in the pockets of families and family care providers, particularly women of color, who are the backbone of California’s child care system.

Increasing Reimbursement Rates to Child Care Providers

Every child care provider deserves to be treated with dignity and respect. By not giving child care professionals the respect and pay they deserve, policymakers continue to uphold a

discriminatory system that exploits Black women, Latinx women, immigrant women, and other women of color, who are the majority of this workforce. According to the Bureau of Labor Statistics data, California has lost more than 8,500 licensed child care sites in the last year and now roughly one in four child-care jobs have been lost. With the Child Care Development Fund (CCDF) Supplemental Discretionary Funds, [federal child care stabilization grants](#), increase in general CCDF, and state general funds, we can pay child care professionals fairly, recruit new child care providers, and create more equitable outcomes

Improving Family's Access to Child Care

There were far too few family child care homes and child care centers even before the pandemic, and now, thousands have been forced to close. According to the [Resource & Referral Network](#), 33% of licensed child care centers and 14% of licensed family child care homes in California have closed their doors since the start of the pandemic. To help us all get back on track, give parents affordable child care choices, and create new jobs, we must support a diversity of child care options in a variety of settings. [The UC Berkeley Center for the Study of Child Care Employment](#), determined that nationwide, the child care workforce shrank by 20%, nearly 200,000 child care workers, within the first six months of the pandemic. A lot of families who are going back to the workplace after working from home due to the pandemic will find that their child care facility has shut down. Investing in child care spaces and allocating all of the federal CCDBG stabilization money as grants to all providers to keep their doors open will ensure families have access to child care and parents can afford to go back to the workplace.

Bold investments achieve impactful results. Now is the time to rebuild and restructure California's fragmented child care system. Through these investment-driven, evidence-based reforms, California can achieve a more equitable system to support children and families and maximize public benefit.

Sincerely,
The ECE Coalition