



February 17, 2022

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 9581

RE: The Early Care and Education's 2022-23 Budget Priority Ask

The ECE Coalition advocates for state budget investments and policies that support the Coalition's vision of child care and early childhood education systems that serve and meet the diverse needs of all children, families and ECE professionals; especially Black, Latinx, Indigenous people, and others harmed by systemic racism and additional injustices, integrate culturally, developmentally and linguistically relevant and responsive high-quality care and education for children, inclusive of children with disabilities; and value and justly compensate all who serve children and families.

To achieve this vision, the Coalition advocates for state budget investments and policies that promote equity by serving the highest-need children first, are informed by current research and promising practices, and are led by the expertise of families and ECE professionals.

California's child care workforce and system have been plagued by underfunding for decades. Even with the significant investments over the last few years, long-term underfunding, COVID, historic inflation, and the national workforce crisis have created a tumultuous storm that has resulted in an alarming rate of home-based and center-based child care facility closures.

To prevent a catastrophic hit to California's economy due to lack of available child care, the Coalition is asking for investments that are informed by current research and promising practices and are led by the expertise of families and ECE professionals. ***Specifically, the Coalition is asking for an increase in child care provider wages and compensation, a waiving of family fees, and investments in child care infrastructure and workforce development grants.***

Increasing Child Care Provider Wages

Low compensation is one of the main reasons providers, predominantly Black and Latinx women, are leaving child care and new providers are not entering the profession. California's child care reimbursement system is currently based on a 2018 market survey; since then, providers have experienced four years of minimum wage increases and a 7% inflation rate in 2021. Minimum wage increases and inflation also impact California's Head Start programs, which provide high-quality care to some of California's most vulnerable populations, including dual language learners and children with disabilities. Federal increases are inadequate for the high costs of living in California. Too many home-based family child care providers still are not earning the equivalent of minimum wage or are unable to afford health care or save for retirement.

These fiscal pressures coupled with the opportunity to make more money in other professions are forcing child care providers to make tough choices for the wellbeing of their own families. Some providers are closing classrooms, reducing hours, or even closing entirely, further exacerbating the lack of childcare and making it more difficult for young children to receive rich early learning experiences and for parents to return to work. We believe that increased investment in health care,

retirement, and paid time off are crucial to strengthening and rebuilding the child care infrastructure for providers and the families that rely on them.

Waiving Family Fees and Increasing Access

In addition to increasing child care providers' wages, waiving family fees and reimbursing providers in full is essential to stabilizing California's child care system. Child care family fees require families who are already struggling to make ends meet, often families led by women of color, to pay far more than their budget allows. According to the CA Department of Social Services, over 26,000 families benefited from fee waivers, and it is estimated it will put \$80 million dollars back into the pockets of families who have been devastated by the pandemic, increased basic living costs, and the expiration of the federal child tax credit. Extending these waivers through September 2024 will bring families more economic security when they need it the most.

The ECE Coalition supports the Governor's proposed funding for 36,000 additional child care slots. Still, without adequate rates and other compensation for child care providers and the permanent waving of family fees, the Administration's intentions will not be met. Some child care providers are experiencing such extreme staffing shortages that they have had to close classrooms due to the lack of staff. The State's own data shows the huge number of family child care providers who have either closed permanently or for many days due to COVID.

We are also recommending systemic supports to ensure California's child care system is sustained and grows equitably by dedicating additional resources to serve more children 0-3 in child care and preschool programs as Transitional Kindergarten grows.

Infrastructure Grants

The state must continue to invest in the Child Care and Development Infrastructure Grant Program and fund a Department of Housing and Community Development study on implementing and providing start-up funding for a grant program that supports gap financing for child care centers and family child care (FCC) housing units that are co-located with affordable housing projects. California lost a significant number of child care facilities and capacity from the reductions during the Great Recession, as well as the pandemic. The loss of existing facilities coupled with increasing construction costs, deteriorating conditions in current facilities, and climate changes have compounded the need for child care facilities.

Workforce Development Grants

According to the Bureau of Labor Statistics, California's child care workforce is about [10 percent](#) smaller than it was pre-pandemic. We request the reinstatement and increase of the Early Learning and Care Workforce Development Grants Program to rebuild and expand workforce capacity to support California's children and families. Within this investment, we propose two set asides of \$25 million each. One set aside would be for Workforce Development Grants for Family, Friend, and Neighbor (FFN) providers, which would support professional development opportunities for critical child care providers who are often detached from resources in the formal care system. FFN providers are essential in expanding the capacity of our child care system with providers who are as racially, ethnically, and linguistically diverse as the children they serve. The other set aside would go to professional development geared specifically to supporting Dual Language Learners (DLL), who make up nearly 60% of the children in California; and any remainder of this set aside would be allocated to local Resource and Referral Agencies, First 5s, the County Office of Education, or Local Planning Councils to ensure the workforce grants support local needs.

The ECE Coalition is also requesting the continuance of several COVID-pandemic policies into 2022-23. To ensure child care providers can keep their doors open during a future COVID surge, they need to be "held harmless" for attendance drops, and they need additional paid COVID sick days. Additionally, several items in the 2021-22 budget were not distributed until later than anticipated in the current budget year. We recommend you carry those dollars over to next year and allow community contractors and providers to exhaust those funds.

Like so many in the care economy, California's child care providers are emotionally and financially exhausted from the COVID-pandemic. The women of color who cared for California's children, many of whom put their health and financial well-being at risk, need to be recognized and fairly compensated for their work. If California leaders truly want to achieve equity in the state, they should start with stabilizing the child care system by increasing provider wages and compensation, waiving family fees, and investing in child care infrastructure and workforce development grants.

[Here is the link](#) to the detailed chart outlining the ECE Coalition 2022-23 budget request.

Sincerely,

The ECE Coalition



Cc:

Keely Martin Bosler, Director, Department of Finance

Senator Nancy Skinner, Chair, Senate Budget Committee

Senator John Laird, Chair, Senate Budget Sub. 1 Committee on Education

Assemblymember Phil Ting, Chair, Assembly Budget Committee

Assemblymember Kevin McCarty, Chair, Assembly Budget Sub. 2 Committee on Education

