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**Child Care Resource Center™**  
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capital for healthy families & communities

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**FIGHT CRIME: INVEST IN KIDS**  
COUNCIL FOR A STRONG AMERICA

**kidango**  
Educating Children, Inspiring Our Future



**FIRST5**  
ASSOCIATION OF CALIFORNIA

**first 5 la**  
Giving kids the best start

**MISSION: READINESS**  
COUNCIL FOR A STRONG AMERICA

**EveryChild CALIFORNIA**  
Association of Leaders Advancing Early Learning



California Child Care Resource & Referral **NETWORK**

**UDW** Child Care Providers United California  
AFSCME Local 3930 / AFL-CIO

**Nourish California**

**CHILD CARE LAW CENTER**

**ADVANCEMENT PROJECT CALIFORNIA**

**CAPPA**  
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**CRYSTAL STAIRS, INC.**

**caaeyc**

California Association for the Education of Young Children

**COUNCIL FOR A STRONG AMERICA**

**PEACH**  
An Early Childhood Higher Education Collaborative

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**Northern Directors Group**

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**Jumpstart**  
Children first.

**25 YEARS**

**United Way**

**United Ways of California**

**ec ec** Early Care & Education Consortium

**BAYAREA COUNCIL**

May 23, 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 95814

## **RE: The Early Care and Education's Priority Asks for the 2022-23 Budget**

We appreciate that the Governor's May Revise continues waiving family fees through 2022-23, holds child care providers harmless, and provides additional resources for child care infrastructure grants. However, it **does not go far enough** to prevent a catastrophic hit to California's economy due to a lack of available child care access and services.

Despite a rate increase in the 2021-22 budget, the current child care reimbursement rates are still inadequate to cover past minimum wage increases. As the minimum wage increased from \$11 to \$15 over the past four years, no corresponding rate increase was made for child care providers, as the current rates are based on 2018 data. Inflationary pressures will increase the minimum wage once again to \$15.50 in January, further exacerbating an already dire situation. For the state to have continually ignored its legally mandated minimum wage for child care providers is astonishing, especially given a massive budget surplus.

Low compensation is the primary reason providers, predominantly Black and Latinx women, are leaving the child care profession. Only 24 months ago, we hailed these child care providers as heroes when they stayed open to allow other essential workers – doctors, nurses, grocery and delivery workers – to continue serving our communities. Fast forward to May 2022, and child care providers are once again pleading for a reimbursement rate increase to provide the minimum wage to their employees.

According to the [California Budget Center](#), more than 6 in 10 California children under the age of 12 live in families where all parents are working. If working parents do not have access to child care, parents, usually women, will be forced to leave the workforce and stay home to care for their young children. Many child care providers have been forced to close classrooms because they cannot afford to hire staff. Wage pressures and inflation are so pervasive that numerous child care centers are shutting their doors entirely. One such center, housed in the Legislative Office Building, recently announced that they will be closing down indefinitely.

In order to stabilize the child care industry, the ECE Coalition requests the final 2022-23 Budget to do the following:

- *Increase rates for child care providers by \$1 billion as outlined in the Senate budget proposal, with an additional \$50 million for Head Start providers*
- *Fund health care and retirement benefits for family child care providers*
- *Fully Waive Family Fees through September 2024 as outlined in the Senate Budget proposal*
- *Adopt the May Revise proposal to hold child care providers harmless for 2022-23.*

- *Restore Workforce Development Grants at \$250 million*
- *Invest \$300 million in Child Care Infrastructure and \$10 million to promote the co-location of child care facilities with affordable housing projects*
- *Adopt the Senate's preschool expansion proposal*

**California's families, children, and child care providers can no longer afford the state's inaction.**

Sincerely,

The ECE Coalition

Cc:

Keely Martin Bosler, Director, Department of Finance

Kim Johnson, Director, Department of Social Services

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

