



UDW
AFSCME LOCAL 3930 | FIGHTING FOR WORKERS AND OUR COMMUNITIES



BUILD UP CA
EARLY LEARNING FACILITIES

Child Care Resource Center™
Quality · Support · Development · Education

lif
capital for healthy families & communities

PARENT VOICES

Children Now

FIRST5 CALIFORNIA



Head Start CALIFORNIA

EARLY EDGE CALIFORNIA

kidango
Educating Children, Inspiring Our Future

FIGHT CRIME: INVEST IN KIDS
COUNCIL FOR A STRONG AMERICA

FIRST5
ASSOCIATION OF CALIFORNIA

first 5 la
Giving kids the best start



EveryChild CALIFORNIA

Association of Leaders Advancing Early Learning

MISSION: READINESS
COUNCIL FOR A STRONG AMERICA

California Child Care Resource & Referral
NETWORK



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



Nourish California

READY NATION CALIFORNIA
COUNCIL FOR A STRONG AMERICA

CHILD CARE LAW CENTER

CAPPA
Advocacy

CHILD CARE ALLIANCE LOS ANGELES

CRYSTAL STAIRS, INC.

CATALYST CALIFORNIA
Working for a better world

COUNCIL FOR A STRONG AMERICA

PEACH
An Early Childhood Higher Education Collaborative

UNITE LA
Education Innovation Through Collaboration

MomsRising.org
Where moms and people who love them go to change our world

Northern Directors Group

United Way

United Ways of California

The Education Trust—West

caaeyc

California Association for the Education of Young Children

EC Early Care & Education Consortium



February 24, 2024

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 McGuire
California State Senate
State Capitol, Room 205
Sacramento, CA 95814

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

The Early Care and Education (ECE) Coalition appreciates the Administration's and Legislature's long-term vision and continued support of ECE via the sustained commitment to provide an additional 200,000 ECE spaces and move to a single reimbursement rate structure. While we understand that the State is facing difficult decisions to address the budget deficit that will likely persist for the next few years, **we urge you to consider the [revenue options](#) recommended by the California Budget and Policy Center and** prioritize California's youngest children and their families by maintaining your promise to:

- **Award and distribute the ECE spaces appropriated in the 2023-24 budget by June 30, 2024.** Unfortunately, the Administration is proposing cuts to desperately needed spaces by not releasing the funds allocated in the budget for the current fiscal year. We request a sustainable and equitable plan to reach the 200,000 space commitment by 2026-27. Our families need affordable ECE programs today!
- **Develop and implement an alternative rate methodology in collaboration with providers, families, and advocates by June 30, 2024.** We request a transparent and collaborative process to ensure the methodology meets the needs of families and all providers.

It is critical to recognize that ECE programs support two generations - parents and children - while simultaneously spurring economic development and growth for our state. By continuing to offer families free and/or reduced-cost child care even during an economic downturn, we exemplify why California is so successful - because we support children and families. We cannot balance the state's budget on the backs of Black, Latinx, Asian Pacific Islander, Indigenous, and immigrant families who are already struggling to make ends meet.

ECE programs offer families safe, stable, and supportive environments where children achieve essential developmental milestones such as following one-step directions, drawing a circle, and counting to ten. Moreover, ECE programs allow guardians to participate in work, professional development, or educational programs, ultimately fostering family connectedness and security.

Unfortunately, California's ECE field continues to struggle to stay afloat. The increase in reimbursement rates in the 2023-24 budget and the promise of an alternative rate methodology have provided immediate relief to the ECE field and workforce; however, the reality of decades of under-investment has taken its toll on providers and families. Countless reports, including the [Master Plan for Early Care and Education](#) and the [Assembly's Blue Ribbon Commission on Early Care and Education](#), have highlighted policy recommendations to build a robust ECE system that meets the needs of children, families, and our workforce. A healthy ECE system should include long-term funding commitments for facility infrastructure, workforce development, rate increases, and ECE spaces.

Thousands of families are in desperate need of early care and education programs. Staying focused on the commitments to providing spaces, addressing ECE providers' rates, and committing to the system's long-term stability ensures California remains an international economic leader.

Sincerely

Members of the ECE Coalition

Cc:

Joe Stephenshaw, Director, Department of Finance
Kim Johnson, Director, Department of Social Services
Senator Scott D. Wiener, Chair, Senate Budget Committee; Chair Legislative Women’s Caucus
Senator Caroline Menjivar, Chair, Senate Budget Sub. 3 Committee on Health and Human Services
Assemblymember Jesse Gabriel, Chair, Assembly Budget Committee
Assemblymember Dr. Corey Jackson, Chair, Assembly Budget Sub. 2 Committee on Human Services

Alternative Rate Methodology Timeline

2023-24	The Department of Social Services (DSS) contracted with P-5 to help develop the alternative rate methodology based on the actual cost of providing care.
	DSS has re-engaged the Rate Reform and Quality Group to assist in developing the alternative rate methodology.
	February 15 th , DSS to release the data to be included in the alternative methodology formula.
2024-25	July 1 st , DSS must provide the Office of Child Care with an updated state plan that includes the alternative rate methodology
	October 1 st Child Care Provider Union (CCPU) can re-open negotiations with the administration to align with the approved alternative rate methodology.
	The new alternative rate methodology will need to be adopted in the 2025-26 budget.