



March 20, 2024

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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  
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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

<b>2023-24</b>	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 <sup>th</sup> , DSS to release the data to be included in the alternative methodology formula.
<b>2024-25</b>	July 1 <sup>st</sup> , DSS must provide the Office of Child Care with an updated state plan that includes the alternative rate methodology
	October 1 <sup>st</sup> 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.