



April 4, 2016

The Honorable Marty Block, Chair
Senate Budget & Fiscal Review Sub. 1 on Education
State Capitol, Room 4072
Sacramento, CA 95814

The Honorable Kevin McCarty, Chair
Assembly Budget Sub. 2 on Education Finance
State Capitol, Room 2160
Sacramento, CA 95814

The Honorable Holly Mitchell, Chair
Senate Budget Sub. 3 on Health & Human Services
State Capitol Building, Room 5080
Sacramento, CA 95814

The Honorable Tony Thurmond, Chair
Assembly Budget Sub. 1 on Health & Human Services
State Capitol Building, Room 5150
Sacramento, CA 95814

Re: Invest in Quality Early Education Funding in the 2016-2017 Budget

Dear Chairs Block, McCarty, Mitchell, and Thurmond:

We are a partnership of statewide early childhood education advocacy organizations writing to urge you to build on the Legislature’s momentum of the last two years and continue to champion quality early care and education programs for California’s youngest children. In order to strengthen the deteriorating foundation of our state’s early learning system for today and tomorrow, we highly encourage you to prioritize significant investments in several fundamentally linked areas: **affordability, access, quality and infrastructure.**

In a year of budget surplus, it is critical the state invest strategically and with the long-term viability of our early learning system in mind. Before beginning any restructuring, there must be a significant infusion of resources to stabilize the system. An investment in our early learning and care system will be necessary this year if we want to discuss rebuilding the system. We applaud the call of the Legislative Women’s Caucus for a down payment of \$800 million in the 2016-2017 budget to stabilize the system and move toward ensuring that all working families have access to quality, affordable early care and education opportunities. Specifically, we propose the following:

1. Increase reimbursement rates so that early care and education providers can maintain current services and take up expansion contracts, thereby ensuring low-income families have continued access to affordable child care and preschool.

- Invest in both the Standard Reimbursement Rate and the Regional Market Rate systems to ensure forward progress toward paying early care and education providers a rate that considers the most current cost of providing services to our youngest population, including the impact of the proposed state minimum wage increase.

- Take initial steps toward transitioning to a single reimbursement system for vouchers and contracted centers based on regional market rates and quality of care.

2. *Expand access to quality early learning for low-income young children and their families through increased slots as well as family-friendly policies to ensure eligibility and continuity of services.*

- Update eligibility guidelines to reflect the current State Median Income (SMI), and increase the exit eligibility level to 85% of current SMI so that families do not unnecessarily lose services.
- Promote 12-month eligibility and reduced administrative burden for families, consistent with AB 2150 (Santiago & Weber).

Contingent on securing reimbursement rate increases so that providers/programs can actually afford to expand services; we would recommend:

- Building off of last year's initial restoration of child care for infants and toddlers in both the General Child Care and Alternative Payment programs and expanding slots by an additional 20,000.
- Fulfilling the preschool promise of ensuring low-income 4-year-olds have access to early learning before kindergarten and expanding the California State Preschool Program (CSPP) by an additional 10,000 slots.

3. *Continue to focus on increasing quality in all settings, supporting the professional development of the workforce, and building the infrastructure to ensure a system that works efficiently for children, families and providers.*

The state continues to make incremental progress toward a more coherent quality improvement and professional development system that local entities can leverage to drive quality improvement efforts. However, long-term planning and investment will be necessary to ensure that children throughout the state have equal access to quality child care and preschool. New federal Child Care and Development Block Grant (CCDBG) requirements, including raising provider reimbursement rates, present an opportunity for the state to take foundational steps toward achieving a higher quality system. Additionally, we propose that you take the following actions this year:

- *Ensure expansion and sustainability of quality improvement systems throughout the state:*

Increase the CSPP QRIS block grant by \$25 million dollars and expand the one-time \$25 million infant and toddler block grant into a \$35 million ongoing program. Amend the current law relating to the block grants to: 1) ensure greater efficiency, local flexibility, and meaningful coordination so that local and federal resources and partners are leveraged; and 2) broaden the impact of quality improvement efforts in all early learning settings, with an emphasis on relevant and research-based coaching supports for providers.

- *Build out the statewide consumer education database to streamline access to affordable, quality care and move toward an integrated child care data system:*

Leverage the 2015-2016 investment for the Child Care Resource & Referral (R&R) Data Efficiency Project to build out the platform for a comprehensive statewide child care data system which will link consumer education, program eligibility, and provider information. To move toward this goal, we request \$15 million in one-time General Funds to: 1) enable automatic data uploads between the 12 different databases currently used by the 69 R&R programs in California into the statewide database; 2) enhance the website design to improve parent engagement and build a mobile component; 3) provide a disaster preparedness function to notify child care providers of emergency situations; 4) build state level and local components for the Centralized Eligibility List (CEL) into the Data Efficiency Project; and 5) lay the groundwork for future linkages with relevant data systems and agencies.

Early care and education is critical to the current and long-term economic and educational viability of our state. In addition to providing critical support to working families, high-quality early learning programs have proved to be effective significantly narrowing the readiness gap, reducing the high school dropout rate, and leading to savings from

lower costs related to special education, public assistance, and crime. Particularly in light of the Governor's recent proposals to restructure current preschool and child care programs, we respectfully ask you to prioritize our youngest children and their families in this year's state budget and urge your visionary leadership in addressing the long-term challenges facing the early learning system. We look forward to partnering with you in this process.

Sincerely,

Advancement Project
Child Care Resource Center
Fight Crime Invest in Kids
First 5 Association of California
Mission Readiness
United Way

Bay Area Council
Child Care Alliance Los Angeles
First 5 California
Kidango
Mom's Rising
Los Angeles Area Chamber of Commerce

Children Now
Early Edge California
First 5 Los Angeles
LAUP
Ready Nation

Cc: Members, Senate Budget and Fiscal Review Sub. 1 on Education
Members, Assembly Budget Sub. 2 on Education Finance
Members, Senate Budget Sub. 3 on Health & Human Services
Members, Assembly Budget Sub. 1 on Health & Human Services