



April 9, 2015

The Honorable Marty Block, Chair  
Senate Budget and Fiscal Review  
Subcommittee No. 1 on Education  
State Capitol, Room 4072  
Sacramento, CA 95814

The Honorable Holly Mitchell, Chair  
Senate Budget and Fiscal Review  
Subcommittee No. 3 on Health and  
Human Services  
State Capitol, Room 5080  
Sacramento, CA 95814

**RE: 2015-16 Budget Proposals for Early Learning and Care Systems**

Dear Senators Block and Mitchell:

First 5 California is grateful to the Senate for championing high-quality early learning and care, and urges you to extend this priority over a multiple-year period to achieve three goals: restore lost care access for babies and preschoolers, regain affordability for quality care, and ensure high quality for every subsidized slot in the early learning system. The brain science and outcomes-based research are clear: the first five years of a child's life are the most impactful time to invest in future success. Ninety percent of a child's brain has developed by the age of 5, with 83 percent of development in the first three years. A child's vocabulary when they enter kindergarten is directly linked to their success in school and ultimate life outcomes.

High-quality supports for children and their families during the first five years of life are the most important and strategic state investments that can be made. During the Great Recession, California made many sacrifices to support systems for young children and their families. The place of greatest sacrifice was in high-quality child care and early learning program access. The proof through research on the impact of high quality child care on a child's welfare and future success is unparalleled and must guide the state's reinvestment during these years of economic recovery.

We urge a significant investment in both Proposition 98 and non-Proposition 98 general funds this year to continue rebuilding a high-quality early learning system, with an understanding that we need ambitious, multi-year goals to reach the eligible children we currently do not serve.

- 1. AFFORDABILITY: Increase the state's reimbursement rates and provide a cost of living adjustment (COLA) so low-income families can access quality programs and providers can continue to offer quality services for babies and young children.**

Given the need to continue quality improvements, address parent access to quality programs in their communities, and address the continuous cost pressure to maintain operations (including the recent increase in minimum wage), state reimbursement rate increases are necessary:

- Increase the Regional Market Rate ceiling so families can access 85 percent of the programs in their communities based on the statutory survey;
- Increase the Standard Reimbursement Rate;
- Increase the infant multiplier from 1.7 to 2.3 and the toddler multiplier from 1.4 to 1.8; and
- Adopt a COLA for all early learning programs.

We also urge the state to continue policy efforts to simplify the reimbursement rate structures.

## **2. ACCESS: Expand access to quality early learning for low-income young children and their families.**

During the Great Recession, over 100,000 early learning and care slots were lost to our state's children. Restoring basic access to quality care must continue.

Last year, Governor Brown and the State Legislature increased the California State Preschool Program (CSPP) by 11,500 slots and declared their intent to provide full-day, full-year quality preschool opportunities to all low-income 4-year-olds over a multi-year period. In order to continue progress toward this promise, we propose further significant expansions with Proposition 98 funding this year:

- Expand the Governor's Budget funding of 4,000 new CSPP slots to 14,500 total new full-day, full-year slots;
- Fund an additional 10,500 full-day, full-year CSPP slots starting in June 2016.

In addition to these new preschool slots, we urge a statutory commitment to the remainder of the preschool slots necessary to achieve universal access for all eligible children, and a state plan to lay out implementation toward this promise.

Given the serious need for families to have access to quality care for babies and toddlers in multiple settings, we propose the Budget Act:

- Expand General Child Care and Alternative Payment Program access for infants and toddlers by 10,500 slots; and
- Expand reach of family child care home education networks to serve more babies and toddlers.

It is of particular importance that slot expansion for babies and toddlers includes rate and adjustment factor increases to ensure quality and access.

In addition to these budget year access expansions, it is crucial that the state begin rebuilding the Central Eligibility List system state-wide. We urge the Legislature to task the California Department of Education (CDE) with a new Central Eligibility List plan in the Budget Act in order to better serve families locally and provide state-wide data on need.

### **3. QUALITY: Continue to focus on increasing quality in all settings.**

California has many successful local and state efforts to support high-quality early learning environments; however, the state still needs to invest in a consistent, system-wide focus on quality and continuous quality improvement to ensure families throughout the state have equal access to quality child care and preschool.

First 5 California urges the Legislature to build on the local Quality Rating and Improvement Systems (QRIS) to achieve three crucial improvements to our quality support systems this year:

- 1) Add funds for infant and toddler care providers' participation in the local QRIS block grants;
- 2) Expand professional learning opportunities for all providers, including through the Community Colleges lab schools, programs, and courses; and
- 3) Align current and increased federal Child Care Development Block Grant investments with new federal requirements and a state vision for quality systems state-wide, including QRIS.

Central to the brain research on the impact of early learning environments on children ages 0 to 5 is the importance of parent engagement strategies, and we look forward to a policy discussion about how to better engage, strengthen, and support parents during these crucial years.

California's early learning and care system took the most significant reductions during the Great Recession, including many years of deferred COLA and rate adjustments. The enormity of the system's restoration and rebuilding needs are dwarfed only by the potential impact these precious funds have on each child's life to improve society's outcomes. We support the Legislative Women's Caucus's position that this year's budget must contain at least a \$600 million investment toward this goal.

Finally, I urge your support for the Education Omnibus Trailer bill language provided by the Administration, which requires the CDE to convene two stakeholder groups with a goal of streamlining child care data, reporting, and administrative redundancies. Both stakeholder groups include First 5 California, and we appreciate this opportunity to assist in system coordination.

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On behalf of First 5 California<sup>\*</sup>, I want to thank you for your leadership for our state's youngest children. We urge the Legislature to put our babies and children first in this year's Budget. In a resource-limited environment, the most impactful expenditures must be prioritized, and California's investment in early childhood education and care will deliver a lifetime of successful outcomes for our children and state.

Sincerely,



Camille Maben  
Executive Director

cc: The Honorable Mark Leno, Chair, Senate Budget and Fiscal Review Committee  
Members of the Senate Budget and Fiscal Review Subcommittee No. 1 on Education  
Members of the Senate Budget and Fiscal Review Subcommittee No. 3 on Health  
and Human Services  
Elisa Wynne, Consultant  
Samantha Liu, Consultant  
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First 5 California State Commissioners

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<sup>\*</sup> First 5 California, established through a voter approved initiative in 1998 known as the California Children and Families Act (Proposition 10), oversees the expenditure of tobacco tax revenues to support, promote, and optimize early childhood development through coordinated programs that emphasize child health, parent education, child care, and other services and programs for children prenatal through age 5. First 5 California's overarching goal is to improve the lives of young children and their families to ensure California's children receive the best possible start in life and thrive.