



**For Immediate Release**  
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## **State Budget Needs to Act on 2.5 Billion New Opportunities to Invest in Early Learning**

**SACRAMENTO** –The Administration’s May Revise budget proposal for FY 2017–18, as released today, restores \$210 million in child care rates promised in last year’s budget deal. The Executive Director of First 5 California, Camille Maben, said the May Revise misses a new opportunity to build a stronger economy for generations to come.

Maben continued, “Out of \$2.5 billion in increases between the January and May state revenue forecasts, there is room for increased investments in child care if there is political will. Unfortunately, 70,000 fewer children are served today than in 2007, and an estimated 1.2 million eligible children lack access to care that could change their lives and keep their parents in stable employment. The final State Budget must include a modernization of child care eligibility and modest investments in child care access—California cannot afford to miss this investment.”

According to a new study by researchers at the University of Southern California and the University of Chicago, high-quality early childhood development programs can deliver an annual return of 13 percent per child on upfront costs through better outcomes in education, health, employment, and social behavior in the decades that follow. The findings show high-quality early childhood programs can increase economic mobility for two generations by freeing working parents to build their careers and increase wages over time, while their children develop a broad range of foundational skills that can lead to lifelong success.

The May Revise fully funds last year’s multi-year budget deal for per-child funding rates for state child care programs with a \$210 million adjustment to the January Budget. However, the May Revise does not fully fund the previous year’s budget deal for preschool slots, or provide any increased access for infants and toddlers.

During the recession, California slashed more than \$1 billion in funds and froze eligibility for subsidized child care programs for low-income working parents. Those cuts eliminated child care and preschool for tens of thousands of children. Cuts to child care alone totaled nearly \$1.1 billion in fiscal years 2007–08 through 2011–12, according to budget estimates from the Legislative Analyst’s Office.

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Child care advocates across the state are relieved the May Revise restores last year's budget deal for per-child rate increases, as well as a cost-of-living adjustment. With the Administration's renewed support for rate increases included in the May Revise, the last month of the legislative debate will focus on increasing children's access to high-quality child care.

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***About First 5 California***

First 5 California was established in 1998 when voters passed Proposition 10, which taxes tobacco products to fund services for children ages 0 to 5 and their families. First 5 programs and resources are designed to educate and support teachers, parents, and caregivers in the critical role they play during a child's first five years – to help California kids receive the best possible start in life and thrive. For more information, please visit [www.cfc.ca.gov](http://www.cfc.ca.gov).