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BUDGET & FISCAL REVIEW SUBCOMMITTEE NO. 1 ON EDUCATION

BUSINESS, PROFESSIONS
& ECONOMIC DEVELOPMENT

ELECTIONS & CAMPAIGN FINANCE REFORM

HEALTH

May 24, 2021

Gavin Newsom Governor of California State Capitol, First Floor Sacramento CA 95814

RE: 2021-2022 May Revision

Dear Governor Newsom

When you recently unveiled a record-breaking \$267 billion dollar budget proposal, we were optimistic that a substantive investment would finally be made into prioritizing child care provider rate reform, as proposed by Senate Bill 246. After all, for the past year, even your Administration touted the industry as *essential*. Unfortunately, your May Revision clearly failed to include a substantial investment in child care providers serving 0 to 4 year-olds. This proposal fails women and children, and, particularly low-income women of color.

As you know, reimbursement rate reform is an issue that the Legislature and advocates have worked on tirelessly for three years in a bipartisan fashion. We have waited patiently and continued to hold back legislative bills from reaching your desk to allow for completion of your Master Plan for Early Learning and Care. Meanwhile, in the last three years, infants have been born and have aged out of the system without receiving critical services.

Around the nation, the recent economic downturn has been called a "shecession" by many due to women leaving the workforce in record numbers because of family caregiving responsibilities. We additionally saw over 3,700 child care providers shut their doors due to the crushing fiscal impact of the pandemic, while those that remained open, continued to serve other essential families to keep the state's infrastructure from collapsing while risking the health and safety of both themselves and their families. It is unfair to not invest in the very people and businesses that have already invested so much in our families and communities.

There are certainly many more reasons that this should have been at the top of your funding priorities. While child care funding is the first to be cut during recessions, it sadly seems that it is also the last to be funded even in record surplus years.

Though your May Revision provided for an additional 100,000 child care slots, that effort is not enough and a misguided attempt—at best—to help the child care industry. We cannot expect child care providers to serve more families without providing them a living wage. Reimbursement rate reform is critical to the survival of the child care industry, as well as the expansion of access to subsidized child care.

It is frustrating that other early care and education programs—as important as they may be within the overarching structure—were prioritized over the existing workforce. These programs were closed during the pandemic. Transitional Kindergarten programs, which tend to serve middle to upper income families, have become the mainstream conversation and a top priority of this Administration. Meanwhile, the industry whose workforce is made up of and provides services to primarily low-income women of color remains without any type of long-lasting investment. We firmly believe that substantive reimbursement rate reform should have been included in the May Revision and it is appalling that—in a year when the state has a historic surplus—it is an issue that needs to be negotiated.

These child care providers certainly deserve better and low income women and children must be prioritized. We recognize that there is a place for all programs. However, if we deem child care providers *essential* during a pandemic, we must also deem them *essential* in our state budget, particularly one that has tens of billions in surplus funding. The state budget should always be a statement of our values and we remain hopeful that you will prioritize the clear and ongoing needs of low income women and children as we move toward final approval of the budget.

Sincerely,

CONNIE M. LEYVA

State Senator, 20th District

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Assemblymember, 74th District

ROCILICIE OCHOA BOGH

State Senator, 23rd District

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Assemblymember, 29th District

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