



A Letter from the Early Childhood Policy Council February 26, 2025

Governor Gavin Newsom, State of California

Speaker Robert Rivas, California State Assembly

President pro Tempore Mike McGuire, California State Senate

Senator Scott Weiner, Chair, Senate Budget and Fiscal Review Committee

Assemblymember Jesse Gabriel, Chair, Assembly Budget Committee

Assemblymember Cecilia Aguiar-Curry, Chair, Women's Legislative Caucus

Senator Monique Limón, Vice Chair, Women's Legislative Caucus

Dear Governor, Mr. Pro Tem, Mr. Speaker, Chairs, and Vice Chair:

The Early Childhood Policy Council (ECPC), established in law in 2019¹, advises the Governor, Legislature, and the California Department of Social Services on statewide early learning and care and child development policy.

While we respect that California is facing current budget challenges, especially considering the wildfires and changes to federal administration, we believe it is essential to maintain the Administration's and Legislature's commitment to California's youngest members, their families, and early childhood care providers, as demonstrated in the 2024-25 State Budget.

Specifically, we want to acknowledge the State's historic investments that significantly impacted children, families, and early educators—predominantly from communities of color—including transforming family fees, extending the hold harmless policy, and providing increased funding to child care providers and programs to keep their doors open, as well as preserving critical health and social services programs that support child and family well-being, including Medi-Cal expansion, the CalWORKs Fiscal Responsibility Act Pilots, and your commitment to expanding access to public education.

We also recognize and appreciate the Administration's continued support of the Rate and Quality Advisory Panel – and the inclusion of center-based programs following negotiations with CCPU – to address the state's woefully inadequate reimbursement rate structure. We appreciate the Administration's and Legislature's support of the Panel's recommendations from the July 1, 2024 report and the ongoing efforts to establish an alternative methodology reimbursement rate that is intended to:

1. Compensate all teachers and child care providers for the **true cost of providing care** by reimbursing them at rates that reflect the economic diversity of California;

¹ See Welfare and Institutions Code 10320.

2. Recognize the costs of meeting varying quality standards, rules, and regulations; and,
3. Strengthen the ability of the state's mixed delivery system to provide quality options.

We recognize the efforts you are making as you embark on the State Budget development process for State Fiscal Year 2025-26, and we look forward to the Administration and Legislature upholding the investments needed and cited above, as well as:

- Funding the rate reform to ensure compensation for the true cost of care and at rates reflecting economic realities;
- Funding state-contracted programs based on the Federal requirement of paying based on the child's authorized enrollment, not attendance;²
- Fulfilling Newsom's promise to fund 200,000 child care spaces by Budget Year 2025-26 and a commitment to continuing to backfill declining Proposition 64 revenue to ensure current spaces are maintained and expanded;
- Providing ongoing financial support to attract and retain members of the early childhood education workforce; and
- Protecting health care access for young children by strengthening Medi-Cal coverage through continuous coverage policies and additional pandemic-era Medi-Cal eligibility flexibilities that are set to expire in June 2025.

We must ensure there is equitable access to services and support for families and the workforce, particularly marginalized populations, including Black, Tribal, and People of Color families, immigrant families, homeless families, foster children, children of incarcerated or formerly incarcerated parents, children with disabilities, dual language learners, and low-income families, including those experiencing generational poverty.

As your partners in helping California families with young children navigate today's exponentially more complex post-election and environmental challenges and supporting the early care and learning workforce that provides essential services that support California's economy, we look forward to working with you to ensure our children remain a top priority.

Sincerely,

Early Childhood Policy Council

² 2024 CCDF Final Rule requires states to base a child care provider's payment on a child's authorized enrollment, not on attendance.