



**Media Contact:**

Mario Fierro-Hernandez  
Communications Manager  
510-673-0781  
[mfhernandez@kidango.org](mailto:mfhernandez@kidango.org)  
[www.kidango.org](http://www.kidango.org)

**Gov. Newsome Releases May Budget Revision Proposal**

*State Budget proposal reflects response to uncertain economic forecast*

**FREMONT, Calif. (May 17, 2023)** - On Friday, May 12, Governor Gavin Newsom released the May Budget Revision Proposal reflecting updates in response to the evolving and uncertain economic forecast, including a budget deficit of \$32 billion, and to the feedback and advocacy the administration has thoughtfully considered. The Governor stressed his administration's commitment to both preserving investments and to fiscal prudence as current economic conditions continue to evolve. The Early Childhood Education (ECE) provisions in the revised budget include:

- An increase in the Cost of Living Adjustment (COLA) for California Department of Social Services (CDSS) and California Department of Education (CDE) programs from 8.13% to 8.22%. This increase only applies to contractors reimbursed at the Standard Reimbursement Rate in direct contracting programs.
- \$29.4 million in available federal funds for the CDSS to waive family fees from July 1, 2023 to September 30, 2023, and approximately \$169.2 million in available federal funds to provide temporary stipends to state-subsidized child care providers.

“In light of the complexities, we’re very grateful for the provisions included in the revised budget proposal,” said Maeva Marc, Vice President of Advocacy and Policy for Kidango. “However, we’re urging the administration and legislature to maintain an ongoing partnership with the child care and preschool community to prioritize the stabilization and advancement of Early Childhood Education (ECE). The staffing shortage in this sector has far-reaching implications, affecting program stability, family access to care, and a consistent and reliable workforce in each and every industry in our state. When ECE thrives, everyone thrives, which is why we’re requesting additional solutions to be included in the state’s adopted budget.”

Kidango has proposed solutions for some of the challenges and complexities facing the ECE field; chief among them the teacher shortage, financial relief for ECE providers, and adopting alternative methodologies for determining the cost of child care:

- Addressing the teacher shortage
  - Implement an 18 month exemption that allows experienced Assistant Teachers to act in the capacity of an Associate Teacher.
  - Change the renewal conditions for an Associate Teacher to every 5 years.
  - These solutions are critical for classrooms to remain open, preserving children’s access to care, and teacher assistants to progress in their careers. Importantly, this proposal is cost neutral.
- Financial relief for ECE providers
  - Provide a 25% increase in current rates to support the sustainability of programs and allow providers to continue delivering high-quality care.
- Adopting an alternative methodology for determining the actual cost of care
  - Implementing a cost estimation model that considers program enrollment as the true cost of care without burdening families with fees.
- Allocating all 20,000 child care spaces scheduled to be released in 2023–24.

The Governor, his Administration, and the California Legislature’s support demonstrates their continued commitment to children and families. Kidango will continue to work in partnership with him, his Administration, and the Legislature to ensure young children thrive, families are supported, and teachers have the tools they need to serve our youngest learners.

#### About Kidango

Kidango is an early learning nonprofit committed to setting every child on a path to thrive in kindergarten and in life. We believe that every child has unlimited potential if we support our children, families, and communities with the right opportunities and resources. As the largest child care provider in the San Francisco Bay Area, we provide 4,000 children with safe, healthy, nurturing environments and relationships, so that every child has the social, emotional, and academic skills they need to learn, grow and realize their potential. For more information, visit [www.kidango.org](http://www.kidango.org).

###