



March 23, 2026

The Honorable Gavin Newsom
Governor, State of California
State Capitol
Sacramento, CA 95814

The Honorable Tony Thurmond
State Superintendent of Public Instruction
1430 N Street, Suite 5000
Sacramento, CA 95814

The Honorable Monique Limón
Senate President pro Tempore
State Capitol, Room 205
Sacramento, CA 95814

The Honorable Robert Rivas
Speaker of the Assembly
State Capitol, Room 219
Sacramento, CA 95814

This is a defining time in our nation when history will judge us for the treatment of marginalized Californians: immigrants, mixed-status families, Black, Brown, and Indigenous families, and women. Today, [California has the highest poverty rate](#) in the nation, tied only with State of Louisiana. Child poverty has increased from 7.5% in 2021 to 18.6% in 2024, due in part to the loss of the federal child tax credit. The cost of Early Care and Education (ECE) [pushes families into poverty](#), but expanding access to ECE, particularly in single-parent households, can [reduce childhood poverty rates](#). Recent census data shows a ten percent poverty gap between Black and Latinx Californians and white Californians – this gap will only increase with the implementation of H.R. 1, “One Big Beautiful Bill Act.”

Families do not neatly fit into one budget line item. The families and [providers](#) we serve are the same families who also access CalWORKs benefits, food banks, WIC, CalFresh, Medi-Cal, or health care coverage through Covered California. These [California families](#) are being disproportionately harmed by H.R. 1. To meet their basic needs, parents and guardians will have to seek a second, or even third, job which means they need access to child care to work.

To meet the basic needs of children, families, and child care providers, the ECE Coalition is requesting:

- Fund the remaining 77,000 spaces promised in the 2021-22 Budget Act. Specifically, 44,000 in 2026-27 and 33,000 in 2027-28, as [codified in statute](#), thereby ensuring no family is disenrolled from care.
- Rate reform must be grounded in a Cost of Care Alternative Methodology that accurately reflects the real-world costs of providing child care, is updated regularly, regionally responsive, and protective of current rates.

- Adopt the \$11.5 million, funded by Proposition 64 dollars, proposed in the Governor's Budget for ECE providers who were affected by the LA wildfire.
- Adopt the \$89 million proposed in the Governor's Budget for a Cost-of-Living Adjustment (COLA). We look forward to working together to develop COLA trailer bill languages.

The [California Budget and Policy Center](#) has calculated that 1.8 million children are eligible for publicly funded care but do not have access to care, worsening racial inequities and affordability challenges for families statewide. Providers and parents agree on the need for both an investment in spaces and the adoption of an Alternative Rate Methodology, simultaneously. Families are beginning to see the reintroduction of family co-payments, which is an indicator that our current rate system is not working, and providers' expenses are not keeping pace with rate increases.

Finally, we are seeking clarity on several administrative issues: the funding reductions to Child Care Development Funds, Proposition 64, the need for mid-year transfers, and funding for CCTR spaces. We are concerned that, without attending to this dynamic funding situation, families could be disenrolled from care. Our goal is to maximize funding for spaces that have already been funded, ensuring as many families as possible are stabilized and receive the child care they need.

Sincerely,

Early Care and Education (ECE) Coalition

Cc:

Joe Stephenshaw, Director, Department of Finance

Jennifer Troia, Director, Department of Social Services

Senator John Laird, Chair, Senate Committee on Budget and Fiscal Review

Senator Caroline Menjivar, Chair, Senate Budget and Fiscal Review Subcommittee No. 3 on Health and Human Services

Assemblymember Jesse Gabriel, Chair, Assembly Committee on Budget

Assemblymember Dr. Corey Jackson, Chair, Assembly Budget Subcommittee No. 2 on Human Services

Assemblymember David Alvarez, Chair, Assembly Budget Subcommittee No. 3 on Education Finance

Assembly Majority Leader Cecilia Aguiar-Curry, Chair of the Legislative Women's Caucus