

We are proud that Governor Brown and our Legislature have said in no uncertain terms that California will not be bullied by the new presidential administration and will stand by the values that Californians hold dear. In the same light, we will not let California neglect her children and the families and child care providers who nurture them each day.

The Governor's proposed budget highlights that the rate of revenue growth is slower than previously expected, which would result in close to a \$2 billion deficit this year, and in future years. The governor wants to protect our most significant accomplishments of the past four years—steady growth for education, the creation of the state's first earned income tax credit, a minimum wage that will responsibly increase to \$15 per hour, and the expansion of health care coverage to millions of Californians. The proposed budget does not take into account potential federal actions that will be harmful to millions of Americans. We appreciate the delicate balance Governor Brown and the Legislature must strike given federal uncertainty. **However, it is inequitable that of the \$2 billion deficit, over 11% (\$226.8 million) is relieved by dollars not spent on child care.**

The proposed budget includes some efficiencies that were suggested by state contractors in Stakeholder (AB 104) focus groups. We strongly support the following proposed changes:

- Authorize the use of electronic applications for child care subsidies, making it less burdensome for eligible families to access care and more efficient for providers to process applications.
- Allow children with exceptional needs whose families exceed income eligibility guidelines access to part-day state preschool if all other eligible children have been served. This allows part-day state preschool providers the flexibility to fill unused slots with other students who would benefit from early intervention or education.
- Align the state's definition of homelessness with the federal McKinney-Vento Act for purposes of child care eligibility. Many providers receive both federal and state funds and different definitions of homelessness can be confusing.

However, Governor Brown's proposed budget for our child care and early learning system is filled with broken promises and backward progress. The promise of increased rates in the Budget Act of 2016 is not fully realized in the proposed FY 17-18 budget. He further fails families by choosing not to adjust income eligibility for child care subsidies that aligns with the increasing minimum wage. As of January 1, 2017, a two

parent household earning minimum wage is no longer eligible for subsidy. It is Governor Brown and the Legislature's responsibility to shield families from this unintended consequence.

We oppose the major policy changes that were included in the Governor's budget that have the long term potential to destroy the positive impact of the existing early care and education programs.

- The "elimination of licensing requirements for state preschool programs utilizing facilities that meet transitional kindergarten facility standards, specifically K-12 public school buildings." Licensing standards are put in place to ensure the health and safety of children. If the Community Care Licensing Division is not charged with inspecting these facilities, an equally qualified public entity must be responsible for these basic inspections and have the authority to ensure changes are made.
- Allowing state preschool programs flexibility in meeting minimum adult-to-student ratios and teacher education requirements, allowing for alignment with similar transitional kindergarten requirements. This could increase the adult-to-child ratio for the current 1 adult for eight children in state preschool programs to one adult to 24 four year old children that is allowed in the Transitional Kindergarten program. A ratio of 1:24 is not acceptable safety and quality for children, nor reasonable for any child care provider.

The policy changes to this program go against what is known from research about quality care – lower ratios allow for more responsive care and support children's learning. Inspections ensure minimum health and safety standards.

We look forward to working with our Legislative leaders, the state departments and the Governor's office as we all craft what is best and fair for Californians, young and old.