



February 12, 2025

The Honorable Gavin Newsom
Governor of the State of California
1021 O Street, Suite 9000, Sacramento, CA 95814

The Honorable Mike McGuire
President Pro Tempore, California State Senate
1021 O Street, Suite 8518, Sacramento, CA 95814

The Honorable Robert Rivas
Speaker, California State Assembly
1021 O Street, Suite 8330, Sacramento, CA 95814

The Honorable Scott D. Wiener
Chair, Senate Budget and Fiscal Review Committee
1020 N Street, Room 502, Sacramento, CA 95814

The Honorable Jesse Gabriel
Chair, Assembly Budget Committee
1021 O Street, Suite 8230, Sacramento, CA 95814

Re: Legislative Women's Caucus Support for Child Care Rate Reform and Slots in the 2025 Budget Act

Dear Budget Leaders:

Over the last several years, we have appreciated the strong partnership between the Legislative Women's Caucus (LWC), Governor Newsom and legislative budget leaders to support workers in their quest to strengthen the child care workforce, which drives California's economy by allowing parents to work and ensuring their children are in a safe, affordable, and quality learning environment. We appreciate the Governor's proposed balanced funding plan that preserves the state's fiscal stability while protecting key investments, including commitments to maintain funding for state-subsidized child care programs and implement 146,000 new child care slots and believe this offers a great start to this year's budget negotiations.

For over a decade, the LWC has been at the forefront of advocating for the State to improve access to affordable child care and ending poverty wages amongst the child care workforce. This is both because of the outsized impact child care has on the lives and economic stability of California working women and because over 95% of the workforce are women. Simply put, California women do better when there is a strong and stable child care system.

The LWC is requesting that the Budget Act include funding to secure California's existing child care service system and stabilize the industry for future growth and expansion to serve children and their families. **To achieve this goal, we request the following actions:**

- Secure a summer implementation of the new reimbursement structure to be based on the true cost of providing child care, with plans for regular updates as required in the federal Child Care and Development Block Grant, including a specific date of enactment of the new reimbursement structure.
- Ensure that the new reimbursement structure, to be achieved through an agreement between California and the Child Care Providers United Union, is applied to all providers.
- Certify the commitment to 200,000 new child care spaces as agreed upon in the 2024-25 Budget Act.

Additionally, in light of the recent fires in Los Angeles, **we request the following action from the Administration to ensure California is prepared to support families and providers in the event of future disasters.** Specifically, the trailer bill would ensure state agencies immediately implement the following provisions:

- Seamless, enrollment-based payments to child care providers in the disaster area.
- Allow families residing in the disaster area who receive subsidized child care flexibility to select alternative care.
- Flexibility for existing licensees to quickly receive an expedited emergency license when they open an alternate site.

California must take the necessary steps to invest in the future of our state's child care system and follow through on commitments made in previous budget years. These simple but impactful priorities will ensure full implementation of the agreements made between the Administration and the LWC over the past five years, stabilize the existing child care workforce and supply, and increase access to child care services for working women. Simply put, by achieving the budget goals we have presented here, this year's budget act will be pivotal in securing the child care system we all believe in and we all have worked so hard to achieve.

We look forward to partnering with you to improve the lives of California's children, families, and essential child care providers.

If you have any questions or concerns, don't hesitate to contact our consultants, Sulema Landa, at Sulema.Landa@asm.ca.gov, or Margaret Hanlon-Gradie, at Margaret.Hanlon-Gradie@sen.ca.gov.

Sincerely,

Cecilia Aguiar-Curry, Chair
Assemblymember, 4th District

Monique Limón, Vice Chair
Senator, 21st District