

December 16, 2022

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

Dear Governor Newsom,

For over 15 years, the California Legislative Women's Caucus has prioritized the critical need for California's working families, especially those led by women, to access child care. Not only does child care provide essential support for women to participate in the workforce, it does so with a system predominantly built by women-owned, often women-of-color-owned, small businesses. We are writing to thank you for your partnership in securing past child-care budget investments and to ask you to continue to work with us in 2023 to take every available opportunity to ensure California's diverse workforce has adequate access to child care.

During the COVID-19 pandemic, the crucial role that child-care providers played in the essential infrastructure of California's economy became abundantly clear. Providers were called upon as essential workers, at risk to their own health and the health of their families, to serve other essential workers, including medical staff, transit workers, first responders, food service workers and logistics companies in support of the state's resolve to overcome the pandemic. In a joint effort with the federal government and in recognition of the critical role of child care, California made significant investments — and we did so with an eye toward equity, serving more low-income families with expanded child-care access, providing financial support for providers, and securing multiple years of fee waivers for families.

Unfortunately, as the pandemic has begun to wane, so has the focus on this most essential of needs. Our child-care infrastructure is in crisis. Women and caregivers returning to in-person work are finding that the child care they depended upon is no longer available. This reduced availability of child care has impacted the overall return of women to the workforce. Data from the <u>Bureau of Labor Statistics</u> found that while men have recovered all of the jobs they lost in the pandemic, women are still down by 515,000 jobs compared to February 2020.

Meanwhile, family child care and center-based child care programs <u>are struggling</u> to find qualified staff for the wages they can pay and are overwhelmed with the rising costs to keep their doors open. A June 2022 report from USC's Center for Health Policy and Economics cites that California <u>lost 18,000 licensed child-care slots</u> between 2019 and 2021, adding to an already acute shortage.

The shortage of child-care workers is contributing to child-care facility closures, and the impact is being felt primarily by workers with caregiving responsibilities, predominantly women, who then <u>are prevented</u> from fully participating in the labor force.

In 2021, you led a historic and celebrated expansion of Transitional Kindergarten (TK). While the availability of TK for all families is a great victory, it does not replace the necessity of full-day and full-year services for children from birth to age four, services necessary to ensure that women can return to the workforce and contribute to California's economic strength.

As we set out on the 2023 budget and legislative sessions, the Women's Caucus calls upon your administration to look to our child-care programs as the key to supporting women, families and the workforce. While we are cognizant that the state is facing the forecast of a budget deficit over the short term, we also know that underfunding our child-care infrastructure is having, and will have, a devastating impact on women, working families, and the very economy we seek to bolster.

While every aspect of the child-care sector needs support, as you finalize your January Budget proposal, we especially urge your strong consideration of the following issues:

- Child-care reimbursement rates and provider compensation are not adequate to address the child-care workforce shortage. Shifting from a market-rate to a cost-study model as well as commensurate increases throughout the child-care system are essential to resolve this situation; and,
- *Mixed-delivery care system needs to be shored up to ensure options for all families.* A mixed-delivery child-care system is key to ensuring full care from birth through school age. Without such a system, California will be unable to ensure that the diverse child-care needs of families in every community and every aspect of the workforce are met.

We know that you share our priority of ensuring opportunity and safety for all children, and success for the caregivers and families raising them. And without a doubt, we have a mutual reverence for the essential contributions of child-care providers and professionals. We are committed to working with you to maximize California's opportunities to make 2023 another year of forward progress in ensuring a child-care system that serves both.

We thank you in advance for your consideration and, as always, for your leadership and partnership.

Sincerely,

Mancy Sunner Senator Nancy Skinner

Chair

Assemblymenter Cecilia Aguiar-Curry

Vice-Chair