



March 2, 2021

The Honorable Nancy Skinner  
Senator  
California State Senate  
Sacramento, CA 95814

The Honorable Rob Bonta  
Assemblymember  
California State Assembly  
Sacramento, CA 95814

The Honorable Buffy Wicks  
Assemblymember  
California State Assembly  
Sacramento, CA 95814

Dear Senator Skinner, Assemblymember Bonta, and Assemblymember Wicks:

We are writing on behalf of the Executive Committee of [Oakland Starting Smart and Strong \(OSSS\)](#), a key early childhood table in Oakland composed of a wide variety of stakeholders - public systems, community organizations, parent advocacy organizations, and philanthropy. Our Task Force includes over 40 agency partners working together for equitable systems change for Oakland kids and families. **We are writing to introduce you to OSSS and inform you about the possible impact of current 2021-22 budget proposals on Oakland families. We would like to meet with each of you to further discuss the budget priorities outlined in this letter and to update you on OSSS efforts.**

*OSSS Background, Focus Areas and Impact*

The aim of OSSS is to create universal access to high quality early learning experiences that promote healthy development for all children in Oakland, focusing our resources and system building efforts towards children and families most impacted by racism and social and economic inequity. Our collaboration's approach has four goals: 1) improving the quality of formal early childhood education settings; 2) supporting informal caregivers of young children; 3) healthy development; and 4) using data, research and innovation for systems change.

OSSS seeks to leverage the power of our collaboration and the lessons learned about improving early childhood outcomes to our advocacy efforts. **Our [Policy & Advocacy Agenda](#) seeks to undo the systemic racism embedded in the field of early childhood through greater investment in a workforce composed primarily of women of color and making child care accessible to working families.**

*Current State of Early Childhood in Oakland*

Oakland communities of color have borne the brunt of the pandemic, as evidenced by disproportionate COVID-19 positive tests and COVID-19 death rates, long term child care and school closures, increased community violence, and economic fallout. We must ensure that the pandemic does not have lasting impact on the ECE community, young children and their families. The data on Oakland families and child care providers reveals deep systemic inequities.



According to First 5 Alameda County, as of December 2020, **57% of licensed family child care providers (FCCs) and 44% of licensed child care centers are open in the City of Oakland. The Oakland child care field is losing approximately \$4.2 million per month due to site closures and under enrollment. Onsite enrollment in open child care programs has greatly reduced: 28% of FCCs and 41% of centers are under-enrolled, all while facing drastically increased costs due to additional COVID19 health and safety requirements.** ECE professionals are predominantly low-income women of color, many of whom did not make a living wage prior to the pandemic, often relying on public assistance to make ends meet. If these providers close permanently, Oakland will see child care deserts spread and increased demand will result in rising costs to families.

As evidenced in the 2020 [Early Development Instrument \(EDI\) data](#), a neighborhood-level measure of early childhood development implemented by OSSS and Oakland Unified School District, only **44% of Oakland kindergarteners are developmentally on track for future school success. Kindergarten readiness levels across all Oakland measures have remained the same for years, and without more investment in early childhood, we will have to grapple with greater challenges in developmental outcomes due to inequities exacerbated by the pandemic.**

#### Early Childhood Education in the 2021-22 Budget

The Governor's proposed 2021-2022 January state budget invests \$55 million in one-time, new general fund dollars to child care. While this funding is significant, it is far from sufficient to implement the recommendations laid out in the State's new Early Childhood Master Plan. Grounded in our racial and economic justice values, our recommendations for the 2021-2022 budget include the below.

*Alameda County Child Care Subsidy Plan (AB 1294):* Thank you for your commitment to ensure our current child care reimbursement rate pilot for Alameda County is made permanent. **Making the AB 833 pilot permanent through the new AB 1294 subsidy plan is the most important child care funding and support priority for Oakland and Alameda County this year.** The pilot program enables Alameda County to retain state funds in the County rather than return them to the state. With the county's roughly \$120 million in state contracts, our community organizations and school districts served over 11,000 low income children, many of whom live in Oakland.

**Reimbursement Rates: Child care reimbursement rates need to be increased now in order to support child care providers who want to re-open, sustain those that remained open during the pandemic, and to make the promises of the Early Childhood Master Plan a reality.** There is no adjustment to the reimbursement rates in the Governor's budget. The current state Regional Market Rate (RMR) is based on 2015 numbers rather than current day cost of care. At the time the reimbursement rates were set, the state's priority was to bring educator pay up to minimum wage; however, minimum wage was \$9 an hour in 2015. Minimum wage in California is now \$14 an hour. There is no time to wait - these increases are long overdue. Given that the majority of providers are women of color, the reimbursement rates are critical to closing the racial and gender wage gap in our region.



*Transitional Kindergarten (TK):* The budget proposes \$250 million in one-time incentive funds for school districts to expand TK for all four-year-olds. While the effort to expand access to Pre-K in the state is commendable, we have questions and concerns about its impact on Oakland's child care landscape. While some possible positive outcomes from TK expansion include more collaboration between community providers and OUSD, elimination of parent fees, and support for seamless transitions into kindergarten, this expansion could result in overall destabilization of the early childhood field and mixed delivery system. There is concern that TK expansion will reduce parent choice for finding developmentally appropriate early learning opportunities for their children and create logistical and financial hurdles for working families who need full day child care. Many Alameda County early childhood stakeholders are concerned that TK expansion will reduce enrollment of 4 years olds, destabilizing child care businesses that provide care for families of infants and toddlers. **Before making precedent-setting investment in TK expansion, we must have a better understanding of the implications of this change to ensure that it does not exacerbate inequity.**

*Child Care Voucher Slots:* According to the California Association of Alternative Payment Programs, the current budget proposal has a **reduction of child care slots of between 8,682 to 15,563 for the entire state.** Therefore, we encourage you to support efforts to at the very least maintain the amount of vouchers from the previous year.

*Facilities:* There is \$200 million in the budget to expand kindergarten and transitional kindergarten facilities. However, funds only go to Local Education Agencies (LEAs). **We recommend not limiting funds to the expansion of TK facilities. Instead, we propose opening up this funding to non-LEA providers, so the full range of early childhood facilities in our mixed-delivery system can be improved.** With the intent to make this investment in facilities more equitable, we hope that you consider expanding the organizations eligible for this funding.

*Supporting ECE Professionals:* OSSS has invested in [culturally responsive, anti-racist professional development opportunities](#) for the Oakland early learning community with outstanding results. **Building upon these successes, we advocate for increased investment to ensure the continuation of these opportunities that support educator well-being and capacity to nurture the resiliency of children in trauma informed healing environments.** We support efforts to restore and expand the professional development block grant that was eliminated in the 2020-21 budget which would result in \$250 million in one-time funding over 4-years.

*COVID-19 Response:* We were pleased to see the Governor's budget included plans to spend just over \$400 million of the federal child care funding that California recently received to meet the immediate needs of providers. **We urge getting these funds to child care providers now to stabilize the industry and get children back in child care so their parents can work.** In addition:

- In 2020-21, \$350 million in one-time funding over 4 years for an early childhood education facilities block grant was eliminated. We recommend restoring these funds to support child care programs that have reduced enrollment due to COVID-19 and helping child care facilities re-open with COVID-19 modifications.



- The state should extend the current practice of allowing direct contracting child care programs to be reimbursed by using the guaranteed Maximum Reimbursable Amount or expenditures, whichever is less, into 2021-22.
- Continue to waive child care family fees next year.
- Maintain/hold harmless alternative payment providers and Title 5 programs through 2021-22.

### Early Intervention Services

OSSS has led efforts to increase developmental screenings for children in the Oakland Unified School District and beyond. Therefore, we are pleased that the current budget proposal includes \$300 million in additional funding to increase the availability of early intervention services for young children with disabilities and delays. **We support efforts to tighten the language to ensure these dollars go toward services for children rather than to shore up school district general fund budgets.** The Governor's budget proposal also includes a one-year continuation of Proposition 56 supplemental payments for developmental screenings for young children, and Adverse Childhood Experiences (ACEs) screening and provider training, until July 1, 2022. While we are encouraged by this delay of the sunset of these supplemental payments, we believe it is important to permanently eliminate - not just delay - the suspension of the supplemental payments.

### Economic Support for Families and Child Care Providers in the 2021-22 Budget

The Governor's budget includes \$2.4 billion for the Golden State Stimulus to provide economic relief for taxpayers with low income, with additional payments for those who file taxes with Individual Taxpayer Identification Numbers (ITINs), including undocumented workers. The additional \$600 per family from this stimulus, combined with California Earned Income Tax Credit and Young Child Tax Credit, will provide significant financial relief to working families. **We encourage you to support additional measures to increase the number of those eligible for this stimulus funding in the final budget, such as ensuring those applying for ITINs in 2020 and those newly income-eligible for the CalEITC in 2020.**

Thank you for being strong advocates for Oakland's children, families, and educators in Sacramento. Despite ongoing challenges, we know that you will continue to prioritize Oakland's early childhood community. Although this letter has focused on Oakland, many of these concerns are shared by the broader early childhood community in your East Bay districts. We will be following up with your staff to schedule a meeting in regard to our budget priorities in the near future.

Sincerely,

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& Strong

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